MOTORING

Nation's role in world auto sector on show

Major carmakers attend ninth China International Import Expo in Shanghai

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Top: The Porsche 911 GT4 R supercar makes its public debut in China at the ninth China International Import Expo in Shanghai on Nov 5.
Left: Jaguar Land Rover shows a 1955 Land Rover Series I 4x4 at the ninth CIIE.
PHOTOS BY LI FUSHENG / CHINA DAILY

International automakers and suppliers are giving China a bigger role in their global businesses, using the country not only as a major market but as a base for developing vehicles, technologies and supply chains for overseas markets.

The trend is evident at the ninth China International Import Expo, which opened in Shanghai on Thursday.

Volkswagen Group is presenting seven vehicles from its Volkswagen, Audi and Porsche brands at the expo, four of which are new energy vehicles.

The display comes as the German automaker seeks to make China an important source of innovation and products for markets beyond the country.

Two models making their debut at the expo — the SAIC Volkswagen ID. ERA 5X SUV and FAW-Volkswagen ID. AURA L5 sedan — feature locally developed intelligent driving technology, while the ID. ERA 5X uses a 4-nanometer cockpit chip.

The group says its broader China strategy is to develop technologies and vehicles domestically that can also serve other markets, particularly in the Global South.

Within the group, Porsche is using the expo to highlight opportunities in China's automotive aftermarket as well as its established car business.

Its exhibits include the 911 GT4 R supercar, which made its public debut in China, the China-exclusive Panamera Pure Edition sedan, and a classic 1961 Porsche 356 B 1600 S Roadster.

The company is also working with Shanghai's Jiading district on classic-car activities, including vehicle displays and driving experiences.

"We do not simply provide professional race cars. We also aim to create a progressive pathway for drivers, from their first experience on track to professional competition," said Alexandre Gibot, managing director of Porsche Motorsport Asia Pacific.

BMW is using the expo to showcase the arrival of its Neue Klasse technology in China, with the iX3 and i3 making their CIIE debut. Both models have been developed with Chinese customers and the local digital ecosystem in mind. Deliveries of the iX3 are scheduled to begin this month, while the i3 is expected to reach customers in the first quarter of 2027.

BMW plans to introduce nearly 20 models incorporating Neue Klasse technology clusters in China in 2027.

"The Neue Klasse embarks on the new chapter of BMW's development and China plays a pivotal role in that journey," said Christian Ach, president and CEO of BMW Group Region China.

General Motors is focusing on local product development and technology partnerships to strengthen the position of its premium brand Cadillac in China.

Its XT5 plug-in hybrid electric vehicle, launched in September, has become Cadillac's best-selling product in China, outperforming the brand's other new energy and internal combustion engine models, GM said.

The model is the first Cadillac built on a locally developed vehicle architecture and the first production vehicle in its segment to use the Momenta R7 World Model for driver assistance. The technology uses artificial intelligence and reinforcement learning.

Cadillac's Vistiq electric SUV also features a next-generation driver-assistance system co-developed with Momenta, reflecting the role of Chinese technology partners in the brand's local product development.

Nissan is taking the China strategy a step further by exporting vehicles developed and manufactured in the country.

The Japanese automaker has begun shipping its Frontier Pro pickup truck to overseas markets. The first exports to Latin America started in July and shipments to the Gulf region and Southeast Asia followed in September.

The Frontier Pro is the first Nissan pickup designed, developed and manufactured in China for global markets.

It began sales in Mexico in October and is scheduled to launch in the Philippines on Friday under the Navara Pro name.

Nissan plans to expand sales to other Latin American markets by the end of 2026, and to Australia and New Zealand in 2027.

The company has also begun exporting its N7 electric sedan to Southeast Asia and plans to introduce the NX8 sport utility vehicle in selected overseas markets.

Nissan's China operations are also an important part of its global parts supply chain.

The company works with more than 550 local suppliers, providing over 14,000 categories of components to Nissan plants in 11 countries and regions. Sales from its parts-export business reached $2.7 billion in 2025, according to the company.

Jaguar Land Rover is displaying seven vehicles from its Range Rover and Defender brands, highlighting their heritage and engineering capabilities.

Among them is a 1955 Land Rover Series I 4x4, which completed the first overland crossing of Eurasia. The exhibits also include the Defender Dakar Rally prototype, making its CIIE debut.

Based on the production Defender OCTA, it shares the model's D7x body architecture and 4.4-liter V8 powertrain. The engineering platform helped Defender secure a one-two finish in the Stock category on its Dakar Rally debut in 2026.

JLR said the two vehicles demonstrate more than seven decades of Defender capability, performance and proven reliability.

French tiremaker Michelin is presenting a tire made with 75 percent renewable or recycled materials, including recycled carbon black, bio-based synthetic rubber, rice-husk silica and recycled steel.

The company aims to use 100 percent renewable or recycled materials in its tires by 2050. It is also showing its Touch Intelligence technology, which uses tire physics, artificial intelligence and data algorithms to assess grip, load, wear and potential air leakage without additional sensors.

Michelin is exploring applications with Chinese automakers and technology partners, with the aim of securing its first commercial application in China.

Car industry at a critical juncture for its globalization strategy, say experts

By LI FUSHENG

China's automotive industry needs to move beyond exporting vehicles and build integrated overseas operations covering manufacturing, supply chains, after-sales services and data management, said industry experts and executives.

"China's auto industry is at a critical juncture for its globalization strategy," said Shi Jianhua, vice-president of the China EV100 Research Institute, at a recent summit held in Chengmai, Hainan province.

Vehicle exports from the country in the first nine months exceeded 8.2 million units, up 65.8 percent year-on-year, according to statistics from the China Association of Automobile Manufacturers. They are estimated to hit 10 million units this year, said the CAAM.

Meanwhile, major carmakers including BYD and Great Wall Motor are acquiring or building plants overseas, from Southeast Asia to South America and Europe.

The industry's overseas expansion is moving from exporting individual products toward coordinated development of a broader industrial ecosystem encompassing research and development, manufacturing, services, finance and infrastructure, said Shi.

One of the most pressing challenges is the development of after-sales services, as rapid overseas growth has exposed weaknesses in spare-parts supply, maintenance and technician training.

Zhang Xiaodong, deputy director of Geely Auto Group's Technology Management Center, said spare-parts forecasting and allocation, as well as vehicle maintenance and repair, are among the first problems to emerge as automakers expand overseas.

Demand for parts varies across markets because of differences in regulations, road conditions and driving habits, making it difficult to predict requirements accurately, he said.

Geely is responding by developing regional central warehouses and local warehouses in key markets, while working with local partners to establish service standards and train technicians.

The company also needs to strengthen local capabilities in servicing electric powertrains and intelligent vehicle systems, Zhang said.

For component suppliers, building local distribution and service networks is equally important.

Zhou Lingkun, president and CEO of Linglong Tire, said the replacement market accounts for about 75 percent of global tire demand, making local sales and installation networks essential to serving customers.

Linglong has established sales networks in 173 countries and regions, with about 200,000 partner stores worldwide, he said.

The company seeks to build what Zhou described as a "full life-cycle service loop centered on local responsiveness", combining product adaptation, timely delivery and standardized installation services.

The need to adapt to local markets also extends to manufacturing and investment decisions.

"Investors should look at the entire business ecosystem that supports production, operations, expansion and customers, rather than focusing only on the cost of building a factory," said Siwadee Suksawate, director of the Guangzhou office of Thailand Board of Investment.

Thailand's established automotive manufacturing base, supplier network and access to the wider Association of Southeast Asian Nations' market make it an attractive location for companies seeking to develop regional operations, she said.

The country has 84 industrial parks and offers access to an ASEAN market of more than 600 million consumers. Its network of free trade agreements covers 24 economies.

Thailand's investment incentives cover various parts of the electric vehicle value chain, including vehicle assembly, batteries, key components and charging infrastructure.

Eligible projects can receive corporate income tax exemptions and other incentives, subject to approval and applicable conditions.

Thailand has been a popular location for Chinese carmakers to build plants, including SAIC and BYD. More such companies are selling cars in the country.

Suksawate encouraged them to work with local suppliers, adding that the investment authority could help connect investors with potential Thai partners.

The discussions also highlighted the growing importance of regulatory compliance, supply-chain resilience and data management as companies expand into more markets.

Zhou said Chinese companies could no longer rely on producing in one location and selling worldwide. Trade barriers and regulatory requirements have made diversified production networks and localized supply chains increasingly important.

He cited the European Union's trade measures on Chinese-made tires and its evolving compliance requirements as examples of the challenges facing exporters.

Zhang at Geely proposed developing a centralized overseas service platform in places like Hainan, alongside one-stop testing and certification services, cross-border data infrastructure and bonded spare-parts warehouses.

Zhou called for an integrated cross-border supply-chain service platform in Hainan, using the province's free trade port policies and geographic advantages.

Such a platform could help smaller suppliers consolidate shipments, complete certain value-added processing before export and reduce logistics costs, he said.

Zhou also proposed a digital hub to help companies manage cross-border data transfers in compliance with Chinese and overseas regulations, as well as combining sea and air transport to balance delivery costs and urgency.

Hainan could also build a test and certification center for vehicles and components targeting overseas markets, particularly in Southeast Asia, he said.

Zhan Xingshuang, a Chengmai official, said the county is well-positioned for NEV exports, thanks to liberalized flows of trade, investment, capital, talent and data, preferential policies including the dual 15 percent income tax and zero tariffs, plus its port access and proximity to the provincial capital, Haikou.



Zeekr models on display at a store in Nanjing, Jiangsu province, on Nov 2. PROVIDED TO CHINA DAILY

Weak domestic demand blunts top sales period

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China's traditionally robust auto sales season of "Golden September and Silver October" lost much of its shine this year. However, surging overseas shipments are acting as a buffer against the shrinking domestic market.

The China Passenger Car Association estimates retail sales of passenger vehicles in China dropped to 1.6 million units in October, down 28.9 percent year-on-year. Full-year domestic passenger vehicle retail sales are estimated at 18.5 million units, down 22.1 percent from 23.74 million in 2025.

Cui Dongshu, secretary-general of the CPCA, attributed the worse-than-expected slump to the expiry of purchase-tax incentives for new energy vehicles and geopolitical conflicts pushing up oil prices.

He added that conditions may improve in 2027 as inventory pressures ease and new vehicle supply cycles recover, setting the car market on course for a recovery.

The China Automobile Dealers Association noted that national holiday promotions and autumn auto shows lifted showroom traffic and orders in early October, but momentum faded in the second half of the month. A wait-and-see sentiment persisted, with consumers holding out for year-end discounts, stretching decision-making cycles and intensifying price competition.

"The 'Golden September, Silver October' phenomenon has basically vanished for the first time and may become a thing of the past," said Gui Shengyue, vice-chairman of the board of Geely Auto.

The weak season indicates a market shift in which cars are no longer basic transportation tools and consumers no longer buy cars purely as durable necessities, placing more value on technology and other attributes. Most orders are from trade-ins and second purchases, with increased consumer hesitation.

Overseas markets, once merely a growth supplement, have now become a pillar for stabilizing overall sales and offsetting weakening domestic demand.

In terms of different brands, BYD remained the top seller in October with 490,200 units delivered, up 10.97 percent year-on-year and 5.74 percent month-on-month. But the headline growth masks weakness at home: BYD's domestic retail volumes have fallen every month so far in 2026.

From July to October, its domestic sales dropped 9.18 percent, 14.34 percent, 12.97 percent and 10.57 percent year-on-year, respectively. The automaker's overall positive growth was largely propped up by overseas deliveries.

SAIC Motor ranked second with around 430,000 units, down 5.28 percent year-on-year. Geely's October sales stood at 310,000 units, eking out 1 percent annual growth. Chery followed with 295,900 units, up 5.3 percent year-on-year.

Great Wall Motor, by contrast, delivered 120,300 units, a 15.87 percent drop. Changan Auto reported October sales of 233,200 units, down 16.23 percent year-on-year even as its overseas deliveries jumped 77.3 percent year-on-year to 102,500 units.

New energy brands showed mixed results, with overseas expansion delivering outsized gains for some.

Leapmotor extended its run of monthly deliveries above 100,000 units for a fourth straight month, delivering 106,100 vehicles in October, a 50.99 percent year-on-year rise.

XPeng's deliveries hit 50,200 units, up 20 percent year-on-year and 22 percent month-on-month, crossing the 50,000 mark thanks to overseas shipments. Its overseas deliveries hit a record 13,300 units in October, jumping 166 percent year-on-year.

Its new Mona L05 went on sale in October, with 5,000 ready-to-deliver units sold out within three minutes. Formal large-scale handovers start in November.

Xiaomi Auto passed the 50,000 delivery threshold for the first time in October thanks to its first full month of deliveries for Skynomad extended-range electric models.

Geely's NEV arm Zeekr delivered 32,483 vehicles in October, up 51.6 percent year-on-year. It handed over 320,887 units in the first 10 months, a 94.4 percent jump. With an average transaction price of nearly 370,000 yuan ($55,450), Zeekr has hit its annual sales target of 300,000 units, making it one of the few mainstream brands to lift both volume and pricing and beat its goal early.

Changan's Deepal brand reported October sales of 32,602 units, up 8.01 percent month-on-month but down 11.39 percent year-on-year.

Nio followed with deliveries of 34,246 units, down 15.23 percent year-on-year, and Li Auto shipped 29,025 units, declining 8.63 percent.

Huawei's Harmony Intelligent Mobility Alliance logged 33,537 deliveries, tumbling 50.84 percent, including 22,105 units from Aito, a brand by Huawei and Seres.

Some are facing more severe challenges, with sales below the 10,000-unit mark. SAIC's IM Motors sold 7,837 units, a decrease of 40.3 percent year-on-year and 2 percent month-on-month.

Changan's Avatr brand delivered 7,056 units in October, down 47.8 percent year-on-year and 13.8 percent month-on-month, failing to surpass the 10,000-unit mark for 10 consecutive months.