

Insights Unwrapped

Revolutionizing Mobility:

Tech Unveils at Auto Expo 2025, EV adoption and Rising Barriers

Highlights of Auto Expo 2025 (Jan17-22,2025)

Key Highlights:

- The expo attracted a record-breaking nearly **one million visitors** over five days, featuring over **90 vehicle launches and unveiling**
- **EVs and SUVs** were in the spotlight across brands:
 - Chinese giant **BYD** announced the commencement of bookings for the **Sealion 7** and showcased Sealion 6 PHEV and Yangwang SUV
 - Kia Motors debuted the **facelifted EV6**, which is expected to go on sale
 - Maruti Suzuki unveiled its **first EV, the e Vitara SUV**
 - **MG showcased Cyberster**, its first electric sports car, which will be sold exclusively via the MG Select premium showrooms

Key Unveilings and Showcases at Auto Expo 2025:

Passenger Vehicles:

- Maruti Suzuki: Debuted its first-ever electric SUV
- Toyota: Presented the Urban EV Concept, akin to the e-Vitara
- VinFast (Vietnam): Announced its entry into the Indian market and showcased the VF6 and VF7 electric crossovers, set to launch in India before the festive season
- Tata Motors: Unveiled the Sierra ICE and near-production Harrier EV
- JSW MG Motor: Displayed the MG Cyberster, MG Majestor, and MG9 models

Two-Wheelers:

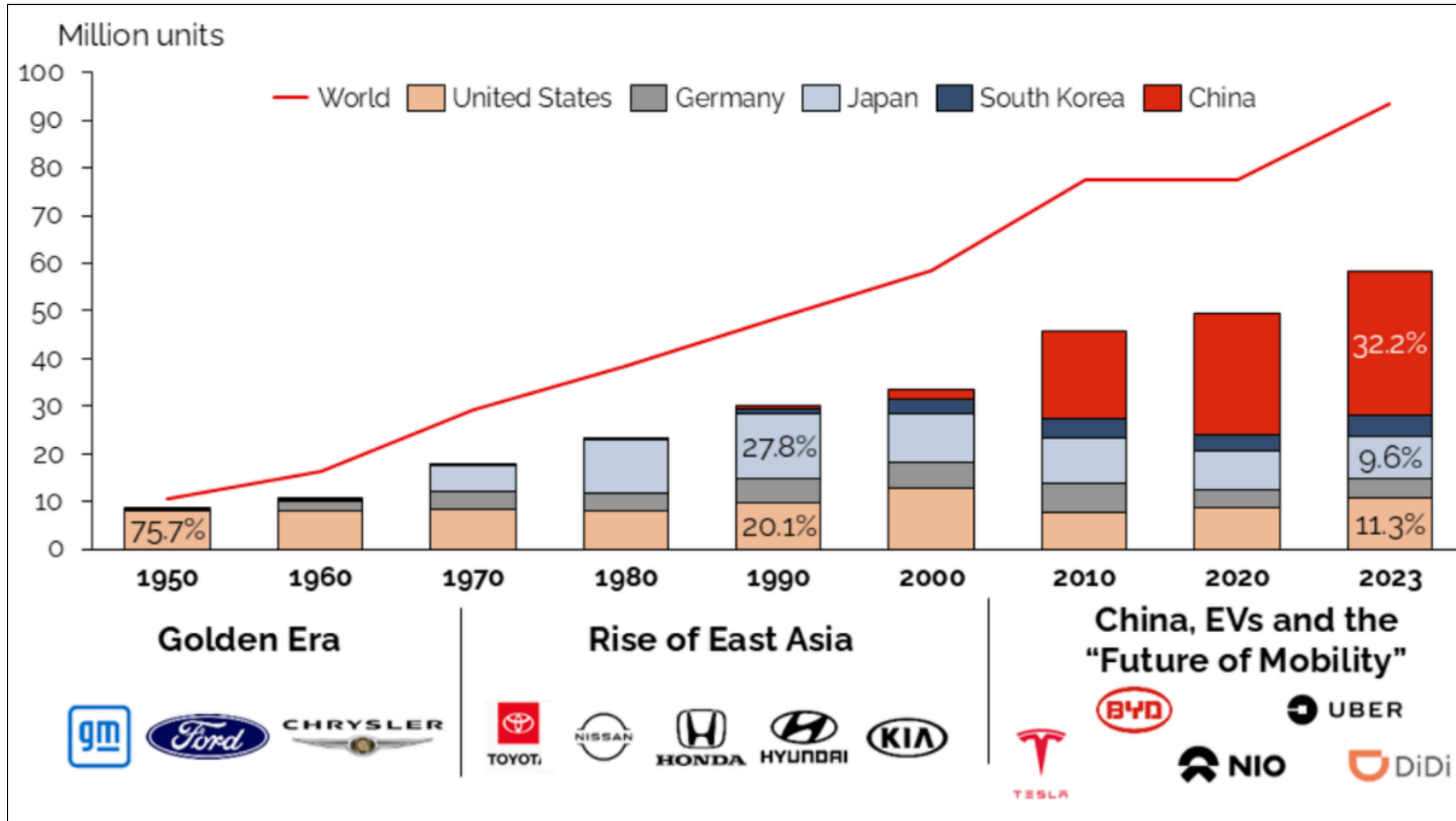
- TVS: Showcased the Jupiter CNG
- VinFast: Presented its range of electric scooters

The Tata Nexon is expected to face intense competition in the EV market.

Rising EV adoption in India

- USD 240 Billion Automotive Industry contributes **7% to the nation's GDP and 14-15% to overall GST collections**
- EV Sales Soar: India sold **1.5 million EV units in FY2024**, led by electric 2- and 3-wheelers
- **Electric Vehicle Market Growth by FY2030:**
 - Passenger EVs: Expected to rise from 90,000 units in FY24 to 960,000 by FY30
 - 2-Wheelers: Projected to jump from 944,000 units to 13.75 million units by FY30
 - 3-Wheelers: Expected to rise from 632,000 units to 1.28 million units by FY30
- 1.32 Million Charging Stations by 2030
- **10,000 Electric Buses under FAME** (Faster Adoption of Electric Vehicles)
- The CNG network in India: coverage now extended to around 98% of India's population and around 88% of the country's geographical area

Global Vehicle Production- The Rise of China



In 1950, the US produced 8 million cars, which was more than three-quarters of the world's total production. The US remained the world's top producer of motor vehicles until 1975, when Japan surpassed it.

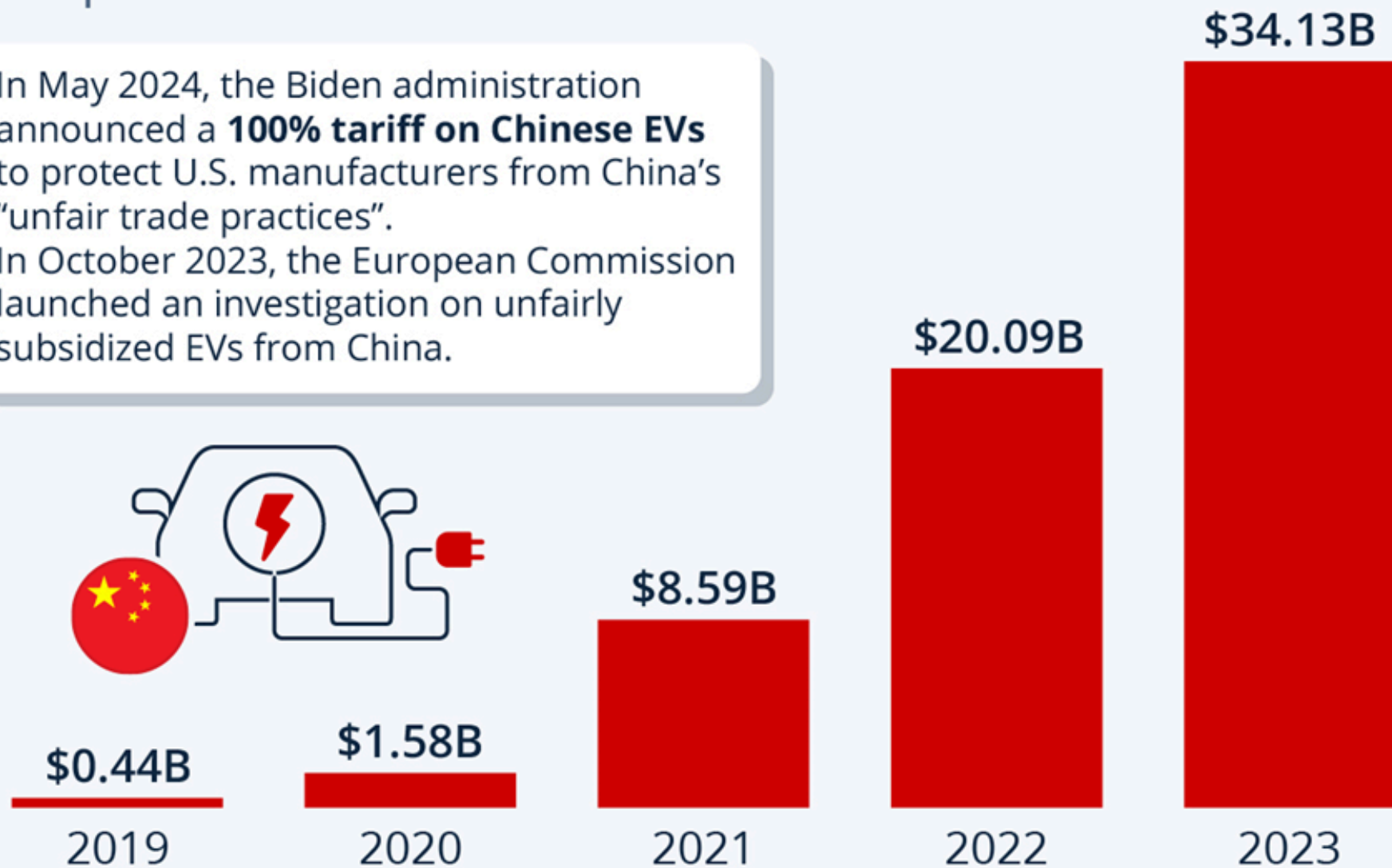
Today, nearly one-third of all cars produced in the world are made in China.

Source: OICA, Automobility analysis

Chinese EV Exports Surge as Policymakers Cry Foul

Trade value of global battery electric vehicle exports from China

In May 2024, the Biden administration announced a **100% tariff on Chinese EVs** to protect U.S. manufacturers from China's "unfair trade practices".
In October 2023, the European Commission launched an investigation on unfairly subsidized EVs from China.



Source: UN Comtrade

Source: Statista

The Chinese export boom from 2021 to 2023 was driven primarily by three key factors:

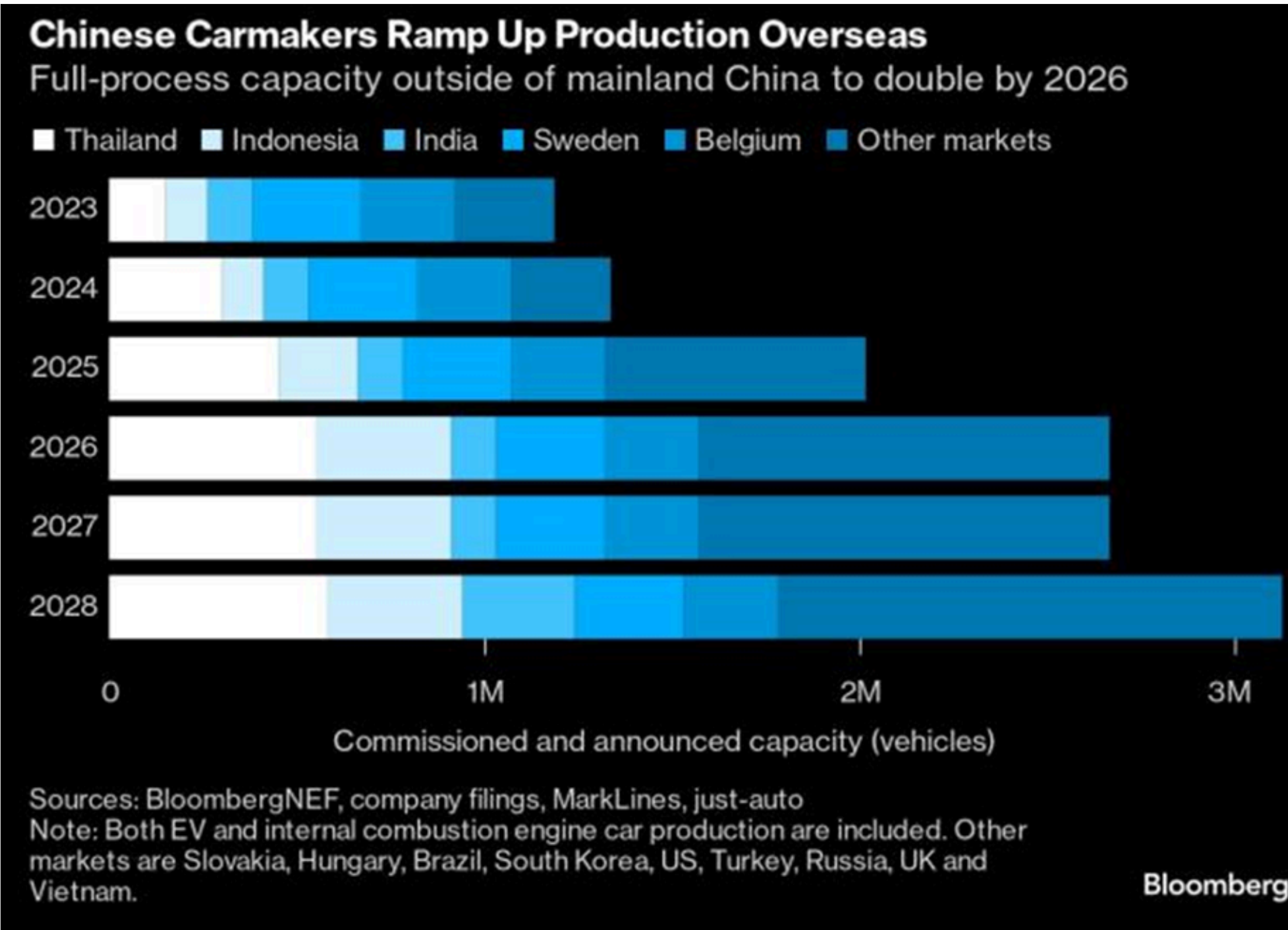
- Electric vehicle (EV) sales to Europe
- Internal combustion engine (ICE) vehicle sales to Russia
- EV and ICE vehicle sales to emerging markets.

2024 Tariff Setbacks on China (outside US):

- EU: 17-38% countervailing duties on Chinese battery EVs
- Brazil: EV import tariffs rose from 10% (Jan) to 18% (July), targeting 35% by 2026
- Turkey: Tariffs imposed in 2023 to encourage local investment by Chinese automakers

Info Source: Gavekal Research

China Ramps up Production Overseas



- **Chinese OEMs**, historically focused on domestic production (except Geely’s acquisitions of Volvo and Proton), **are now rapidly expanding overseas.**
- By 2027, overseas production capacity is expected to **grow by 1.5 to 2 million vehicles.**
- A major driver of this growth is **BYD, which has announced seven new overseas plants** in recent months.
- **Rising trade barriers are prompting the establishment of overseas plants**, which increasingly compete with Chinese exports. It is evident in **Thailand** that Chinese exports have declined as local production by Chinese OEMs ramps up.

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