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## Has everything been said about electric vehicles?

In September, at the Munich Auto Show, the presence of Chinese automakers did not go unnoticed. What was once a purely technical discussion has now undeniably taken on a highly political dimension. But what can be said outside of the political sphere?

The fact that 41% of the exhibitors at the major automotive event in Munich were Chinese serves as a reminder that China has become the world's top vehicle exporter, surpassing Japan (source: Chinese Customs). Remember, the Japanese had managed to conquer the world by making cars identical to their competitors' but more reliable. The Chinese, on the other hand, do not make cars identical to Western models. They produce innovative, reliable, and, most importantly, more affordable vehicles. Not only have they become the "champions" of electric vehicles and onboard electronics, but they have also won over the public with their prices. The

difference is significant: in Europe, a Chinese vehicle has a price difference of 25% to 30% compared to its Western competitors (source: Jato Dynamics).

Faced with this onslaught, Europeans are mounting a counterattack on two fronts. The European Union has taken up the issue and decided to protect its market from the influx of Chinese vehicles, which are said to be largely subsidized by the government.

Meanwhile, European car makers are adapting their strategies to the shifting landscape. Efforts are being made to produce more affordably and thereby try to respond to declining orders and increasing inflation. However, this is not their only positioning. It is interesting to note that European manufacturers also intend to consolidate their position and take on the challenge of the high-end electric vehicle segment. A segment which is precisely highly coveted by their Chinese competitors. According to the Chinese themselves, such as BYD, the commitment of Europeans to new energy in the automotive industry is impressive.

Beyond the national policies that clash within the automotive industry, the strategies of Asian and European manufacturers offer many possible convergences, as we have observed from China and Korea - two historical positions of Caarea. In China, advances in electric battery quality have managed to win over many customers, but they are still accompanied by few services, especially insurance solutions. In contrast, European manufacturers have been placing these very services at the epicenter of their strategies, recognizing that today's motorists place greater emphasis on the broader mobility solutions a vehicle represents, rather than the vehicle itself.

Europe and Asia are two heavyweights in the automotive industry. Behind the fierce competition they engage in, we shouldn't lose sight of the fact that these two markets have many differences, both in their strengths and maturity. At Caarea, we see this gap as an opportunity, a chance to cross paths, knowledge, and offers. Europe and Asia may seem diametrically opposed when it comes to automobiles, but they are also easily within reach for those who are willing to reach out.



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