Sales of electric vehicles made in China are rapidly rising in EU countries

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The latest figures issued by Dataforce analyst firm show the share of PHEV registrations of China-manufactures brands climbing from about 20 per cent in January 2026 to 35.3 per cent in August across Europe, more than double their share of the battery-electric market

Carmakers in China have gained ground in Europe's shift to electric cars, emerging as the biggest winners in plug-in hybrids despite moves by Brussels to curb their expansion. As petrol prices climbed across the EU, hitting a record high of more than €2.30 a litre in Germany this month (US$9.91 per US gallon), the move to battery power has gathered pace.

Battery-electric registrations jumped 62.7 per cent year on year in August and accounted for 21.7 per cent of new registrations in the first eight months of 2026 – equal with petrol-powered cars – according to data published by the European Automobile Manufacturers' Association (ACEA) on Thursday, September 24.

Carmakers in China took almost all of the new volume. The European Union market grew by 30,720 vehicles in August, a year-on-year increase of 4.5 per cent, with BYD, Chery, Leapmotor and SAIC accounting for about 92 per cent of the net increase, based on ACEA figures. BYD's registrations more than doubled to 20,845, while Chery's tripled to about 14,000.

Much of that growth came from plug-in hybrid electric vehicles (PHEVs). "Every third PHEV is made in China now," said Julian Litzinger, an analyst at data provider Dataforce. Its latest figures show the share of PHEV registrations of Chinese brands' climbing from about 20 per cent in January 2026 to 35.3 per cent in August across Europe, more than double their share of the battery-electric market.

Since October 2024, the EU has imposed anti-subsidy duties of up to 35.3 per cent on Chinese-built battery-electric cars, while PHEVs face only the standard ten per cent tariff. Litzinger said Chinese carmakers have continued to "double down" on that segment, "securing a record market share in Europe".

PHEV demand is booming in some of Europe's biggest markets, with registrations in the first eight months of the year up 77.6 per cent in Italy, 33.9 per cent in Spain and 15.6 per cent in Germany, according to ACEA. BYD said its 'Seal U' was Germany's bestselling PHEV in June and July.

Multiple media reports have said Brussels has pushed Beijing to rein in hybrid exports ahead of a new round of trade talks, asking China to voluntarily cap China-built hybrids at about 15 per cent of the EU market. The Ministry of Commerce said in Beijing on September 18 that it was firmly opposed to "voluntary" export restraints.

Meanwhile, Europe's established manufacturers are losing ground. Based on ACEA figures, the five largest European manufacturers – Volkswagen, Stellantis, Renault, BMW and Mercedes-

Benz – saw their combined EU market share slip to 64.6 per cent in the first eight months of the year, down from 66.8 per cent in the same period last year, while the five largest Chinese groups – BYD, SAIC, Chery, Leapmotor and Geely, whose figures include Volvo – lifted theirs to 9.6 per cent from 6.2 per cent.

Volkswagen Group remained the EU's largest carmaker, but its August registrations fell 3.2 per cent and its market share dropped to 25.9 per cent from 28 per cent one year earlier. This month, VW's supervisory board approved 50,000 more job cuts, on top of 50,000 already planned, as it grapples with US tariffs, weaker sales in China and intensifying competition from Chinese rivals.

Sales by premium marques Mercedes-Benz and BMW were relatively stable in the EU, with registrations up 7.2 per cent and 0.8 per cent respectively. But both have admitted to losing ground in China, with Mercedes' car sales down 28 per cent year on year in the first half of the year, and BMW's down 20.4 per cent.

The pressure is reshaping the German automotive industry's stance on trade. On Thursday, German business daily *Handelsblatt* reported that the Association of the Automotive Industry, long seen as a brake on tougher measures against China, now considers trade defence instruments justified "from a certain point of competitive distortion".

But some analysts doubt tariffs can slow China's advance. EU tariffs and other protectionist measures had instead accelerated China's integration into Europe's car industry, Philipp Seidel, from the consultancy Arthur D. Little, said, as Chinese carmakers increasingly localised production.

He said China's strength came from an integrated ecosystem that spanned everything from batteries to supply chains and featured fast development cycles. "Trade measures can change the route through which that competitiveness reaches Europe, but they do not make the competitiveness itself disappear," Seidel said.