

MOTORING



Visitors inspect Geely Xingyuan EVs in Qingzhou, Shandong province, in May. WANG JILIN / FOR CHINA DAILY

NEVs top sales charts in May

Internal combustion power disappears from country’s top 10 best-selling automobile list

By LI FUSHENG
lifusheng@chinadaily.com.cn

China saw a milestone in its transition toward electrified mobility in May, with almost 63 out of every 100 passenger cars sold in the country being new energy vehicles.

Battery, plug-in hybrid and extended-range electric vehicles accounted for a record 62.9 percent of passenger vehicle sales that month, according to the China Passenger Car Association.

NEV retail sales totaled 950,000 units, a 7.5 percent decline from a year earlier but enough to push their market penetration to a historic high.

Perhaps the most symbolic signal of this shift came from retail sales rankings. According to data published by automotive platform Dongchedi, the top 10 best-selling passenger vehicles in May were all NEVs.

The Geely Xingyuan micro EV ranked first with 38,751 units sold, followed by Tesla’s Model Y with 28,911 units. Xiaomi’s SU7, Leapmotor’s A10, and Li Auto’s i6 completed the top five, reflecting a broadening competitive landscape across segments ranging from entry-level city cars to premium SUVs.

The speed of this transition has been striking. In March, five gasoline models still appeared among the top 10 best-selling vehicles. That number fell to one in April before dropping to zero in May.

The disappearance of gasoline vehicles from the top tier of the market highlights how quickly consumer preferences are shifting once a technological tipping point is reached.

Industry observers say the May data points to a deeper structural change rather than short-term volatility.

Cui Dongshu, secretary-general of the CPCA, described May as a month in which “cold gasoline vehicle demand and hot NEV growth became the most prominent feature of the market.”

More importantly, the decline in overall market performance was

largely driven by shrinking gasoline vehicle sales.

Retail passenger vehicle sales reached 1.51 million units in May, down 22.1 percent year-on-year although up 9.2 percent from April.

Fuel-powered vehicles recorded a 39 percent year-on-year drop in retail sales, with declines across all segments: domestic brands, mainstream joint ventures and luxury automakers.

Although gasoline vehicles still accounted for 37.1 percent of total retail sales, they were 82 percent of the overall market decline, making them the dominant drag on industry performance.

This divergence underscores a key inflection point: China’s auto market contraction is not being driven by weaker demand for vehicles overall, but by a rapid substitution away from internal combustion engine models.

Beyond aggregate data, changes in consumer behavior are becoming increasingly visible.

Liang Kefei, a 36-year-old Beijing resident who had participated in the city’s license plate lottery for nearly a decade, switched from the gasoline vehicle lottery to the NEV queue in 2025.

“More and more of my colleagues are driving NEVs now and they sometimes give me a ride,” she said.

“They are comfortable, affordable and charging has become much easier than before. That is why I decided to queue for an NEV plate,” said Liang, who received hers in late May and is now busy test driving cars on weekends.

Beijing gave out 160,000 NEV license plates in May and is scheduled to offer 20,000 gasoline ones, with the list of winners to be announced in June and December.

Liang’s experience reflects a broader urban trend in which NEVs are perceived not as an alternative technology, but as the default option for private car buyers in major cities.

The shift is also reinforced by network effects: as more consumers adopt NEVs, infrastructure improves, product availability expands and per-

ceived barriers such as charging convenience and range anxiety continue to decline.

Their acceptance of NEVs suggests that China’s auto market is no longer defined by whether consumers will adopt electrified vehicles. Instead, the central question has become which type of NEV they choose.

Battery electric vehicles had renewed momentum in May, with sales rising 16.6 percent year-on-year to 886,000 units. That accounted for 65.7 percent of total NEV wholesale volume in that month.

Analysts attribute this to improving charging infrastructure and rapid technological upgrades, including 800-volt architectures, ultrafast charging systems and higher-capacity batteries.

These developments are gradually addressing long-standing concerns over charging speed and range limitations.

Plug-in hybrids, meanwhile, recorded wholesale sales of 372,000 units, up 10.5 percent year-on-year. However, their market share remained largely stable, suggesting that the segment is entering a more mature phase after several years of rapid expansion.

Extended-range electric vehicle deliveries hit 95,000 units, rising month-on-month but declining significantly year-on-year. Their share of the NEV market continued to edge lower to around 7 percent, from 10 percent in the same period of 2025.

Major automakers are continuing to expand long-term investment in electrification.

At BYD’s annual shareholders meeting on Wednesday, Chairman and President Wang Chuanfu said the company aims to become the world’s largest automaker by volume within five years and targets annual production and sales of 10 million vehicles by 2030.

Wang highlighted next-generation technologies such as the second-generation Blade Battery and flash-charging systems as key competitive advantages. He noted that battery production capacity is still ramping up and will expand in the coming years.

In a strategic move, Wang also said BYD’s flash-charging ecosystem would be made available to other automakers, signaling a potential shift toward greater industrywide interoperability in charging infrastructure.

Overseas expansion is emerging as another growth pillar. BYD’s international sales exceeded 1 million units for the first time in 2025, up 150 percent year-on-year, with a target of 1.5 million units in 2026.

Short Torque

Iran war fueling orders for Renault electric cars

Since the Iran conflict started, Renault’s electric vehicle order book is up by 50 percent in some markets, such as France and Germany, said Group CEO Francois Provost on Wednesday. He said Renault was having to work hard to keep up with demand for electric vehicles, and it was setting up a task force to tackle this matter. The French automaker is also considering adding more production shifts in the second half of the year at its EV factories at Douai and Maubeuge in France and Novo Mesto in Slovenia, Provost said. Demand for EVs has surged across Europe as high fuel prices linked to the Iran war boosted interest in both new and secondhand EVs. In the first four months of 2026, sales of fully electric cars in Europe jumped 29 percent to almost 1 million units.

BYD eyes factory in Southern Europe

China’s BYD is considering a car plant in Southern Europe as an option for establishing its second vehicle production base on the continent, with Spain now on the final short list. Li Ke, executive vice-president of BYD, said that the company prefers acquiring existing facilities over building new ones, though she did not disclose other candidate countries or a timeline for the final decision. BYD’s first European factory in Hungary is scheduled to begin production in the fourth quarter of 2026 — about a year later than originally planned. Meanwhile, the previously announced factory project in Turkiye has been temporarily put on hold. Amid overcapacity in Europe’s automotive industry, several automakers are seeking to sell or lease idle production capacity.

Tesla technology gets green light in Belgium

Belgium became the fifth country in the European Union to approve Tesla’s FSD system for public use on Thursday, signaling a massive shift in how regional regulators view Tesla’s advanced driver assistance technology. Flemish Mobility Minister Annick De Ridder broke the news on X. She said the Tesla community has been keeping a close eye on this “for quite some time” regarding the approval for FSD technology on Flemish and Belgian roads. The move comes a day after Denmark became the fourth EU country to recognize the Netherlands Vehicle Authority’s landmark approval of FSD and green light it for public roads. It also arrived less than two weeks after FSD received approval in Estonia.

MOTORING-AGENCIES

Autonomous vehicles working in public service sector set to surge

By CAO YINGYING
caoyingying@chinadaily.com.cn

Automakers are entering the unmanned delivery vehicle market, with many launching products this year. Experts predict 2026 will be a watershed year as self-driving delivery technology evolves from early trials to profitable commercial operations.

Data from the China Communications and Transportation Association shows the nation’s unmanned delivery fleet surged to 47,000 units in the first quarter of 2026, up from just around 10,000 units in 2024, with over 100 cities permitting these vehicles on public roads.

Zelos led the market with a 53.2 percent share and 25,000 units in operation, followed by Neolix at 36.2 percent and 17,000 units.

Soochow Securities projects the national fleet will exceed 100,000 units by the end of 2026.

Collaborating with leading players has become the primary strategy for traditional automakers to accelerate their presence in the sector.

Dongfeng Motor debuted its unmanned logistics brand OpenVAN earlier this month, alongside four Level 4 robovans covering cargo volumes of 2 to 60 cubic meters and loads from 1 to 13.6 metric tons.

All models feature highly automated driving technology jointly developed with Zelos, with a cumulative operational validation of over 130 million kilometers.

Dongfeng secured over 4,000 orders from eight partners includ-

ing China Logistics Group at launch, with the first deliveries scheduled for August.

GAC Commercial Vehicle reached an agreement with Neolix in March and rolled out RoboTruck, RoboVAN and RoboBUS platforms that can serve trunk logistics, urban delivery and urban passenger transport at the Beijing auto show in April.

The X6T, the first unmanned logistics vehicle jointly developed by the two sides, debuted at the show. It focuses on urban last-mile delivery and branch logistics, featuring a 6 cu m cargo space that combines high load capacity with long-range capabilities. This makes it suitable for express delivery, cold chain logistics and supermarket supply.

The automaker plans to launch 3 and 6 cu m unmanned logistics vehicles in 2026 for urban deliveries, and introduce 12 and 20 cu m models in 2027 to cover all logistics scenarios.

Startups including Zelos and Neolix have dominated the sector with mature algorithms and operational data, yet they are constrained by insufficient mass-production and supply chain capabilities. Traditional automakers make up for these shortcomings through solid R&D experience and mature manufacturing systems, turning experimental prototypes into market-ready products at scale, experts said.

“Let vehicle specialists build the cars, and L4 experts safeguard them,” Zhou Qing, co-founder of Zelos, said at the OpenVAN’s launch.



Unmanned logistics vehicles work in a transfer center in Nantong, Jiangsu province, in April. ZHANG JINGANG / FOR CHINA DAILY

Insurers warn repairs and auto design raising costs of some EVs

By WANG YUCHEN
wangyuchen@chinadaily.com.cn

Some new energy vehicle owners in China are facing higher insurance renewal premiums and repair cost pressures, highlighting the need for automakers, insurers and repair service providers to work more closely as the country’s NEV market matures.

The issue does not mean NEV insurance premiums are rising across the board. Rather, premiums are becoming more differentiated among vehicle models and users, reflecting differences in repair costs, loss ratios and vehicle use.

The differentiation comes as the NEV insurance market expands rapidly but still faces claims pressure. Data from the China Association of Actuaries showed that insurers underwrote 43.58 million NEVs in 2025, up 40.1 percent year-on-year. Premium income from NEV insurance reached 190 billion yuan (\$26.4 billion), while the sector still posted an underwriting loss of 5.6 billion yuan.

The data also showed that 143 NEV model series recorded loss ratios above 100 percent, meaning claims alone exceeded premiums, even before insurers counted their operating costs.

Zhang Xiaolei, secretary-general of the China Association of Actuaries, said the average per-vehicle risk cost of NEV insurance is about 2.2 times that of gasoline vehicles, while premiums are only about 1.7 times those of gasoline vehicles.

The gap helps explain why

pricing is becoming more differentiated, as insurers give greater weight to repair costs, loss ratios and vehicle use when setting premiums.

High repair costs are a major factor behind the pricing pressure. Compared with gasoline vehicles, NEVs rely more heavily on batteries, electric motors, electronic control systems and smart-driving components.

Xie Yuantao, dean of the School of Insurance and Economics at the University of International Business and Economics, said repair costs for some NEVs are pushed up by limited access to key replacement parts and authorized repair channels.

Xie said integrated die-casting technology can also raise repair costs, as even minor damage may require replacing a large integrated component. Sensors such as lidar and millimeter-wave radar may need to be recalibrated after being replaced, adding to repair costs.

Vehicle use is another factor shaping premiums. NEVs used for ride-hailing, logistics and other high-intensity operations usually have higher mileages and higher risk exposure than private passenger cars. If insurers cannot accurately identify how a vehicle is used, risks from high-frequency operations may be reflected in pricing for similar models or user groups.

Addressing these pressures requires closer coordination among automakers, insurers and repair service providers. Sharing vehicle risk and repair data in compliance with regulations can

help insurers set premiums more accurately, while feedback from insurers on high-loss models can help automakers improve safety design and repairability.

Policy measures have also sought to address these issues. A national guideline issued in January 2025 by four central departments, including the National Financial Regulatory Administration and the Ministry of Industry and Information Technology, called for efforts to reduce NEV repair and ownership costs, broaden supply channels for replacement parts and improve repair and claims standards.

It also encouraged automakers and power battery companies to improve battery repairability and support the sale of battery, electric motor and electronic control system components through self-operated or authorized networks.

Local authorities in Shenzhen, Guangdong province, have also introduced measures to address similar issues. The measures, issued on June 5 by the Shenzhen office of the National Financial Regulatory Administration and local industry, transport and commerce authorities, encourage insurers and NEV makers to strengthen technical exchanges, explore shared repair networks, and develop more standardized repair pricing and claims standards.

The measures also support automakers and power battery companies in improving the repairability of power batteries and expanding the supply of key replacement parts.