

Mexico china electric vehicle market

Chinese electric vehicle automakers may circumvent American tariffs by setting up shop in Mexico. Without U.S. government intervention, they are likely to outcompete American EV manufacturers.

It's a scenario that terrifies America's auto industry.

Chinese carmakers set up shop in Mexico to exploit North American trade rules. Once in place, they send ultra-low-priced electric vehicles streaming into the United States.

As the Chinese EVs go on sale across the country, America's homegrown EVs - costing an average of \$55,000, roughly double the price of their Chinese counterparts - struggle to compete. Factories close. Workers lose jobs across America's industrial heartland.

Ultimately, it could all become a painful replay of how government-subsidized Chinese competition devastated American industries from steel to solar equipment over the past quarter-century. This time, it would be electric vehicles, which America's automakers envision as the core of their business in the coming decades.

"Time and again, we have seen the Chinese government dump highly subsidized goods into markets for the purpose of undermining domestic manufacturing," Sen. Sherrod Brown, an Ohio Democrat, wrote in an April letter to President Joe Biden that called for an outright ban on Chinese electric vehicles in the U.S. "We cannot let the same occur when it comes to EVs."

Low-priced Chinese EVs pose a potentially "extinction-level event" for America's auto industry, the Alliance for American Manufacturing has warned.

The trade deal that Beijing could potentially exploit - the U.S.-Mexico-Canada Agreement - was negotiated by the Trump administration and enacted in 2020. Its rules could let Chinese autos assembled in Mexico enter the United States, either duty-free or at a nominal 2.5% tariff rate. Either way, China could sell its EVs well below typical U.S. prices.

To defuse the threat, the U.S. does have options. Customs officials could rule that Chinese EVs don't qualify for the low-duty or duty-free benefits of being assembled in Mexico. U.S. policymakers could also pressure Mexico to keep Chinese vehicles out of that country. Or they could bar Chinese EVs from the U.S. on the grounds that they would threaten America's national security.

For his part, Donald Trump told Time magazine in April: "I will tariff them at 100%. Because I'm not going to allow them to steal the rest of our business."

Whatever steps the U.S. government might take, though, would likely face legal challenges from companies that want to import the Chinese EVs.

The threat from Beijing is emerging just as U.S. automakers face slowing EV sales even while investing billions to produce them in a high-priced bet that Americans will embrace battery-powered autos in the coming decades. Comparatively high prices, despite federal tax incentives for buyers, have weakened EV sales in the United States. So has public anxiety about a scarcity of charging stations, potentially made worse by rising thefts of cables at charging stations.

Contact us for free full report

Web: <https://kary.com.pl/contact-us/>

Email: energystorage2000@gmail.com

WhatsApp: 8613816583346

