

Excerpt from a longer article

Turning point in the car industry - and a worried look at China

The share of vehicles sold in Russia in total sales is small for most Western carmakers, and even a complete loss of this market would be bearable for them. But one thing has become abundantly clear in the changed global political situation: autocratically led countries are obviously willing to take paths that were not previously thought possible in order to assert their political interests.

The industry should therefore be warned: If China one day sets out to follow a path similar to that taken by Russia today, the effects on the German automotive industry would be devastating: according to a study by the Center Automotive Research (CAR), about 40 per cent of sales by German premium manufacturers have already gone to China by 2020. And the trend is rising.

Politicians and industry alike must therefore keep the factor to be „blackmailed“ in mind and take it into account more than ever. Which place in the world to build a new plant or which foreign company to invest in should be well thought out in the light of potential dependencies. Low personnel costs or attractive sales markets alone can no longer be the measure of all things for strategic decisions.

The economic world, too, cannot and will not be the same after the end of the Ukraine war. There will be no return to the pre-war era. Both political leaders and business leaders must recognise that these challenges, some of which are long-term, are real and act accordingly. In other words, crisis mode is the order of the day. Fortunately, the industry already has a lot of experience in this regard.

This applies to all sectors