Case Studies

Prospects for Chinese Electric Vehicles in the US Market: The Case of BYD

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Chinese electric vehicle manufacturers have expanded rapidly worldwide, yet the United States remains a highly restrictive market. This paper examines the prospects for Chinese EV entry into the US through a case study of BYD, the world's largest producer of plug-in electric vehicles. Using the framework of non-market strategy, it analyzes how trade policy, national security concerns, regulatory barriers, and consumer perceptions jointly shape market access beyond standard economic competition. The study reviews key US legal constraints, including Section 301 tariffs, vehicle safety compliance rules, and restrictions on connected vehicle technologies, which together render direct passenger vehicle imports from China commercially unviable. It further situates these barriers within a broader political climate characterized by rising protectionism and skepticism toward Chinese brands. Despite these challenges, the paper argues that Chinese EV firms are not fully excluded from the US market. Through localized production, subsidiary restructuring, policy advocacy, and engagement with labor unions and local stakeholders, firms like BYD can sustain a limited but strategic presence. The paper concludes that deep localization and long-term non-market strategies offer the most viable path forward under current conditions.

Introduction

The electric vehicle (EV) sector has experienced rapid global growth over the past decade, primarily driven by rising environmental concerns, technological advancements, and strong government incentives in major markets such as China, the United States, and the European Union. China has emerged as the world's largest EV producer and consumer, with companies such as BYD leading domestic innovation and exports, while Europe has steadily expanded its EV market through stringent emissions regulations and generous subsidies. The US, despite strong domestic EV growth, presents a more complex regulatory and geopolitical environment, posing unique challenges for foreign competitors. Chinese EV companies have achieved varying degrees of success in Europe, often navigating regulatory compliance, safety certifications, and subsidy qualification requirements, yet they still face significant hurdles in entering the US market due to a resurgence of trade protectionism and ongoing political hostilities. This study will focus on BYD's experiences in navigating these obstacles and highlight how Chinese EV enterprises might develop strategies to operate in the US market under current legal and political conditions.

BYD was originally a battery manufacturing company. Its largest subsidiary, BYD Auto, was established in 2003 and has since grown into the largest manufacturer of plug-in electric vehicles in both China and globally (He & Cooban, 2024). In 2024, BYD held a global market share of 22.2% in the electric vehicle market, with over 3.84 million combined sales of Battery Electric Vehicles (BEVs) and Plug-in Hybrid Electric Vehicles (PHEVs), more than double that of Tesla (Roberts, 2024). The company also produces rechargeable batteries of various sorts (EV batteries, phone batteries, and energy storage batteries), forklifts, solar panels, semiconductors, and rail transit products. Through its subsidiary FinDreams Battery, BYD has become the world's second-largest EV battery manufacturer after CATL, producing approximately 16% of the global EV batteries, with its proprietary iron phosphate batteries leading the sector (L. Kang, 2025). As of 2024, BYD, with over 900,000 employees (including approximately 104,000 in research and development), remained the largest private enterprise in China (Zhang, 2024).

Due to restrictions imposed by the US government, the company currently operates in the States under the brand RIDE, its spinoff focusing on transportation solutions in North America. RIDE has established a 556,000-square-foot manufacturing facility in Lancaster, California, which produces battery-electric buses and coaches for the US and Canadian markets. It offers electric commercial trucks like the heavy-duty 8TT and medium-duty 6F for sale in the US through dealers such as Hudson County Motors. In compliance with local regulations, all of the company's employees

are members of a labor union recognized by the National Labor Relations Board and its products surpass FTA's Buy America standards by incorporating over 70% US materials in the production process (RIDE). However, relying solely on the operations of its subsidiary is far from sufficient for BYD's executives. The company has stated that it aims for approximately half of its vehicle sales to come from outside China by 2030, and the United States, given the scale of its automotive market, remains essential to achieving that goal (Zhang, 2025).

Using the obstacles BYD encountered in its effort to expand to the US as an example, this study aims to evaluate the broader legal context of US market entry for Chinese electric vehicle companies, explore specific corporate legal issues affecting these companies as they move overseas, and propose potential workarounds that these companies might consider feasible. As part of the analysis, the study will examine the history of actions taken by the US government against competitive foreign car manufacturers entering the US market and recent laws and regulations that have been developed and implemented to restrict the global expansion of Chinese EV producers. In particular, the study will discuss key legal actions taken around tariffs, national security, and subsidies in the last decade. The suggested workarounds will be primarily based on the theoretical framework around the concept of "non-market" strategy, which is understood as the set of actions that firms pursue to influence the legal, cultural and societal context in markets where they seek to operate (Bach & Allen, 2010). This study will develop possible non-market strategies to overcome regulatory hurdles in the US under current political circumstances, which are applicable not only to BYD but also to other Chinese EV companies hoping to enter the US market.

Literature Review

When firms operate within markets, their performance is often shaped by forces that extend beyond purely economic considerations. The notion of nonmarket strategy, developed by David Baron and David Bach, acknowledges that enterprises operate as social and political actors as well as economic ones (Bach & Allen, 2010). Since firms generate and allocate value, they attract the attention of numerous stakeholders – namely the media, government agencies, regulators, NGOs, and activist groups – who attempt to shape their behavior both through formal mechanisms like laws and regulation, and informal means such as social pressure, activism, and efforts to influence the public perception of companies. According to Baron and Bach, nonmarket strategy is founded on a twofold premise: first, that issues and actors operating outside traditional market boundaries exert an increasingly significant influence on a firm's financial performance; and second, that such exogenous forces can be managed with the same level of strategic deliberation and rigor as conventional market-oriented business activities (Bach & Allen, 2010). The key distinctions between traditional market and non-market strategies, however, are noteworthy. Whereas capital is the most essential medium of exchange in the market, information is the indispensable asset in nonmarket strategy. For instance, information about policy alternatives and their costs and benefits, the preferences of key players, and the functioning of a particular policy process are key to success in lobbying efforts. Building coalitions is highly emphasized in nonmarket strategy. Maintaining cooperative relationships with public bodies and social actors provides companies with a significant advantage over their competitors. Unlike market strategies that pursue the most economically rational course of action, nonmarket approaches focus on the long run. Hence, consistency, rather than flexibility, in decision-making is crucial for building a positive public image and overcoming skepticism from social actors (Bach & Allen, 2010). Firms often craft coherent narratives that frame themselves as contributors to the local economy and workforce rather than threats to the industry.

In practice, most major international companies have extended the competitive playing field well beyond the market and have varied in their approaches. For the purposes of this study, Toyota Motors' strategy in the US provides valuable insights into firms in the electric vehicle sector. In 2004, Toyota Motors effectively lobbied the California State Assembly to include its flagship Prius hybrid model in a government program permitting low-emission vehicles to access the state's carpool lanes with only a single occupant. Through a series of marketing campaigns, Toyota gained support from local environmental organizations, which facilitated legislative approval of the proposal. Subsequently, the company secured privileges allowing Prius owners to park without charge at public meters in Los Angeles and other municipalities. According to estimates, a used Prius equipped with the parking permit commands a resale premium of up to $4,000 compared with a comparable model without the permit (Scott, 2007). These lobbying efforts provided Toyota Motors with a competitive edge over other car manufacturers in the market.

BYD, on its part, currently enjoys a notable cost advantage over its international competitors, arising from a combination of factors unique to its Chinese background. To begin with, labor costs in China remain comparatively lower than in most countries that produce electric vehicles. In addition, BYD's advanced and cost-efficient battery technology, including expertise in lithium iron phosphate batteries, contributes to lower production costs, which are further reduced by the availability of China's IT and AI talent. Finally, the highly competitive domestic market environment, with dozens of domestic and international manufacturers operating within China, drives efficiency and cost-conscious production (Dadush, 2024). These edges have undoubtedly contributed to the firm's success overseas. While electric vehicles outside China are often expensive and targeted at affluent consumers, BYD and other Chinese brands that have not yet achieved global recognition offer more affordable models aimed at the broader population (Krisher & Moritsugu, 2024). As a result, the company is able to leverage high production volumes to achieve economies of scale, lowering per-unit costs and making its electric vehicles more accessible to the mass consumer market. In 2023, China's electric vehicle exports increased

by over 60 percent to reach 1.2 million units, primarily directed at Europe, Mexico and several emerging markets in Asia. Leveraging the distinctive assets developed by leading Chinese EV manufacturers and their battery suppliers – such as brand recognition, technological expertise, and design capabilities – these companies are now expanding their manufacturing and distribution networks globally, establishing operations in countries including Thailand, Indonesia, Australia, Morocco, Mexico, and Hungary (Dadush, 2024).

The rapid expansion of Chinese EV enterprises has not been without obstacles. Overseas, BYD's vehicles are priced considerably higher than in China, which undermines the company's cost advantage relative to more established competitors. For instance, the market price of BYD's popular Atto 3 model in Germany is merely 5% lower than that of a comparable Volkswagen model. On top of that, the firm continues to contend with concerns regarding the perceived quality and durability of its products. Issues such as malfunctioning charging equipment, slow charging rates, and inadequate charging infrastructure in certain regions discourage potential buyers (Hossain, 2024). Given the marginal price differential, European consumers tend to favor long-standing manufacturers such as Volkswagen over their Chinese counterpart, BYD. In October 2023, the European Commission initiated an investigation into the subsidies granted by the Chinese government to its electric vehicle industry, alleging that such support created unfair market distortions. Following a vote in October 2024, the Commission imposed provisional tariffs on major Chinese automakers, including Tesla's China operations. The final duty rate applied to BYD was set at 17%, placing it behind SAIC at 35.3% and Geely at 18.8% (Featherston, 2024). Ultimately, these market and regulatory barriers illustrate the complex challenges BYD faces in consolidating its competitive position within the European market despite its ambitions.

Unlike in other overseas markets, Chinese automobile brands are virtually nonexistent in the US as a result of stringent legal restrictions imposed by the federal government. Technically, there exist a few workarounds that allow American consumers limited exposure to Chinese EVs domestically. Chinese carmakers have often been accused of failing to meet US automobile safety requirements. Some states, such as Texas and Oklahoma, however, enforce distinct safety regulations for low-speed and medium-speed vehicles (with a maximum speed of 35 miles per hour) that are prohibited from highway access. Companies like BYD could readily satisfy that requirement and pass state inspections by requiring exporters to hard-lock a speed cap for its vehicles. In addition, federal regulations permit non-American citizens to bring their foreign vehicle to the country temporarily (12 months) without getting an American license plate, while China allows exported cars to remain abroad for six months. Chinese firms could exploit this overlap to organize short-term test drives for American car enthusiasts and promote their products to the general public. Large Chinese EV companies could legally export their own models to the US through their local subsidiaries and spinoffs such as RIDE. In accordance with US law, foreign vehicles bearing manufacturer plates can be used on a daily basis for research, road tests, display, and other purposes by employees but cannot be sold to individuals (Yang, 2025). Nonetheless, it provides an opportunity for Chinese companies to establish a presence in America. Admittedly, these loopholes are not permanent solutions to circumvent barriers to entry into the US market. Leaving aside practical obstacles stemming from political dynamics between the US and China, Chinese manufacturers would have to overcome public skepticism about the quality and reliability of their products in the West by modifying their vehicles to comply with US safety standards in the long run (Krisher & Moritsugu, 2024).

Relevant Laws and Regulations

Currently, the primary obstacle preventing Chinese EV companies from entering the US market is the presidential tariff regime on Chinese imports, a formidable policy tool that has played a decisive role in shaping US trade patterns with foreign partners since the Cold War. The Trade Act of 1974, aiming to promote a fair and open world economic system, encourage free competition between the US and other nations, and support domestic economic growth and full employment, significantly expanded the executive branch's power over tariffs. Under Title III of the act (often referred to as Section 301), Congress grants the Office of the United States Trade Representative (USTR), at the direction of the President, a range of responsibilities and authorities to investigate and take unilateral action to enforce US rights under trade agreements and respond to certain foreign trade practices, including imposing tariffs or other restrictions if another country's trade practices are found "unreasonable or discriminatory" and burden US commerce (*Section 301 of the Trade Act of 1974*, 2025). As of 2025, there are three ongoing investigations under Section 301 related to practices by Nicaragua, Brazil, and China (in the semiconductor industry). The International Emergency Economic Powers Act (IEEPA) of 1977 affirmed the legality of presidential tariff authority as Congress reformed the open-ended wartime economic powers of the executive branch and established a modern statutory framework for emergency economic measures. Although subject to statutory limits and the oversight and reporting requirements of the National Emergencies Act (NEA), the President's authority to impose sanctions and regulate financial transactions and foreign-owned property within US jurisdiction was upheld (*The International Emergency Economic Powers Act: Origins, Evolution, and Use*, 2025). The IEEPA, in conjunction with Section 301, forms the basis for executive actions against Chinese imports during the Trump and Biden administrations.

The federal government has also enacted specific restrictions on imported foreign vehicles. In 1988, Congress passed the Imported Vehicle Safety Compliance Act, primarily targeting European and Japanese manufacturers. At the time, a significant number of "grey market" vehicles – often luxury European models – were imported into the US without original certification under the Federal Motor

Vehicle Safety Standards (FMVSS). These models were frequently modified, sometimes inadequately, in private conversion shops. In an effort to close such loopholes, American automakers and the National Highway Traffic Safety Administration (NHTSA) jointly pressured Congress to adopt stricter regulations, citing consumer safety and liability concerns. Under the act, only entities officially registered with the NHTSA could import vehicles nonconforming to FMVSS, and importers were required to post a bond equal to 150% of the vehicle's dutiable value to ensure compliance work would be completed ("H.R.2628 – 100th Congress (1987-1988): Imported Vehicle Safety Compliance Act of 1988," 1988). In practice, no company had sufficient incentive to pursue such a time-consuming and uneconomical process. Parallel imports, as a result, have become virtually nonexistent in the US since 1988 (Yang, 2025).

Growing concern over unfair competition from Chinese EV manufacturers emerged in the past decade, as many of these companies rapidly expanded globally and achieved relative success in various markets. In 2018, President Trump directed the USTR to modify Section 301 following a previous investigation into China's trade practices (Office of the United States Trade Representative, 2018). The USTR subsequently imposed tariffs ranging from 7.5% to 25% on approximately $370 billion worth of US imports from China, including a 25% tariff on passenger vehicles. This action was justified as retaliation against alleged unfair Chinese practices, namely forced technology transfers, intellectual property theft, and industrial policy discrimination (*Section 301 of the Trade Act of 1974*, 2025). Once the modification took effect, any Chinese-manufactured vehicle entering a US port became subject to both the baseline 2.5% duty and the additional 25% tariff under Section 301. In other words, all Chinese automakers face a 27.5% ad valorem duty on a vehicle's customs value – essentially its sale price at import. The prospect of any plausible market access for Chinese companies vanished in 2024, when President Biden announced a 100% tariff on Chinese-imported electric vehicles. The USTR review concluded that China's state subsidies for EVs and batteries blatantly distorted global markets, necessitating a retaliatory response from the United States. The new duty rate imposed by the Biden administration rose sharply from 25% in 2018 to 100% (The White House, 2024). In addition to the existing baseline 2.5% duty on all passenger cars, the current effective tariff on Chinese EVs stands at 102.5%. Such high rates make it practically impossible for Chinese firms to compete in the US market. The USTR has also signaled concern about possible circumvention of the tariffs through the relocation of production to countries with which the US has free trade agreements (Office of the United States Trade Representative, 2024). Although this was not explicitly stated in the announcement, it is reasonable to infer an emerging bi-partisan consensus in Washington that even if batteries and EVs are manufactured by a Chinese-invested company in the United States or in a US trading partner and are entitled to tariff-free treatment under a regional agreement, they should nonetheless be subject to scrutiny. It remains likely that the federal government will impose separate restrictions on Chinese EV factories and battery plants in countries such as Mexico and Morocco in the future (Dadush, 2024).

Perhaps another legacy of the Biden administration is the expansion of the definition of vehicle parts. In an executive action aimed at safeguarding the US from national security risks posed by China and Russia, the President announced a prohibition on the sale and import of Chinese "connected vehicles." The new restriction applies not only to software, such as automated driving systems (ADS), but also to "components that connect the vehicle to the outside world," namely VCS hardware including Bluetooth, cellular, Wi-Fi, and various satellite modules. The proposed software bans will take effect for Model Year 2027, while hardware bans will begin with Model Year 2030 (The White House, 2025). These measures underscore Washington's growing resolve to insulate critical sectors of the US economy from Chinese technological influence and supply chain dependence.

Often overlooked in legal discussions, however, is the impact of such government actions, along with the surrounding political and social contexts, on consumers' perceptions of imported goods. Although China has become the largest economy in the world in 2015, surpassing the US in terms of purchasing power parity by $60 billion dollars, studies indicate that the average US consumer lacks recognition of Chinese brand names (Virzi & Parrington, 2019). This is not surprising, provided that, at the time, most Americans had only been exposed to products – often non-Chinese brands – whose components were assembled or manufactured in China, rather than to Chinese brands themselves (Virzi & Parrington, 2019). The absence of awareness suggests that US consumers' perceptions of Chinese products are readily influenced by political dynamics, which grew increasingly negative during the eighteen-month trade war between the two countries beginning in 2018, as billions of dollars in tariffs were imposed on each other's imports. A 2019 survey by Fremont College revealed that 86% of American consumers did not have positive associations with Chinese-manufactured goods in terms of trust, particularly regarding the quality of products bearing Chinese brand names (Virzi & Parrington, 2019).

Moreover, the rise of populist and nativist sentiment in American society – especially after the outbreak of COVID-19 – has reflected a general skepticism toward foreign-made products. Scholars have noted that, on average, Americans have exhibited notable ethnocentric consumer preferences since the onset of the pandemic. They tend to prefer goods produced in the US over those from culturally and ethnically distant countries such as India and China, and are often willing to pay a premium for domestic products. Consequently, the demand for imported goods has declined (Nawaz et al., 2023). Meanwhile, public animosity towards China, fueled in large part by the country's alleged responsibility for causing and spreading the pandemic, became particularly pronounced and has negatively affected US consumers' willingness to purchase Chinese goods (Nawaz et al., 2023). A survey by Deutsche Bank in 2020 suggests that approximately 41% of Americans were

reluctant to buy any product manufactured in China, marking a significant increase from previous years (McDaniel, 2020). The hostility manifested in Washington's retaliatory tariffs further exacerbated the already negative perception of China, which, in combination with the long-standing consumer distrust of the quality of Chinese-manufactured goods, has been amplified by the media's frequent use of emotional and provocative language. Chinese EV companies will certainly need to take public attitudes into account when formulating effective strategies for market entry and brand positioning in the US.

In short, legal constraints create an exceptionally challenging environment for Chinese EV companies seeking to enter the US market at the moment. Tariffs exceeding 100%, expanded definitions of restricted vehicle components, and heightened scrutiny of Chinese-linked supply chains leave little room for conventional market access. Parallel regulations intended to safeguard consumer safety, along with a political climate marked by skepticism toward China and strong ethnocentric preferences, reinforce barriers not only at the political level but also at the level of consumer perception. However, these restrictions do not necessarily amount to total exclusion. Despite the unfavorable conditions, Chinese firms could still establish a physical presence in the US through alternative approaches that do not directly involve exporting Chinese-manufactured vehicles. The example of BYD's spinoff RIDE demonstrates that Chinese EV companies can maintain a foothold by restructuring ownership, localizing production, or separating brand identities. This suggests that while future expansion into the US passenger vehicle market will remain severely constrained, there are still possibilities for market entry, provided that firms are willing to adapt creatively to the evolving regulatory landscape.

Strategy Recommendations

The following solutions are offered in light of the non-market framework developed by Baron and Bach and are presented in order from the least viable to the most viable. They outline a spectrum of approaches Chinese EV companies, in general, could pursue as they navigate the complex US political economy.

Joint Venture

Forming a joint venture (JV) with a local company is a common practice for companies in many industries entering a foreign market as firms generally benefit from pooling resources to accomplish a specific task. For Chinese EV companies, this approach is especially advantageous since it potentially circumvents current legal restrictions imposed by the federal government. As of 2025, no US law prohibits foreign businesses, including Chinese firms, from entering joint ventures with American partners. Companies such as BYD could negotiate terms with a US partner – automaker, supplier, or tech firm – and register the joint venture as a new business entity under state corporate laws. The operations of the established JV would be subject to federal corporate law and Chinese enterprises should ensure that it complies with regulations, including antitrust laws and national security reviews. Admittedly, navigating the latter is a growing concern. The Committee on Foreign Investment in the United States (CFIUS) would likely review any JV involving sensitive technology or critical infrastructure for national security risks, which might affect or even block deals involving Chinese firms. Another challenge lies in identifying suitable local partners willing to form JVs with Chinese enterprises. Many major US automakers have already established partnerships with important global players from Europe, while smaller companies may be hesitant to cooperate with Chinese firms due to political risk, reputational concerns, or competing interests. In addition, differences in business culture and decision-making styles between Chinese and American firms might also hinder smooth collaboration.

Policy Advocacy

Chinese EV companies might also consider exerting influence on US policy discourse by reshaping the informational and regulatory environment. Critical to this approach is strategic framing, which could be supported by positioning more positive stories in the press about China in general. Chinese firms should work to shift the policy debate from a national security frame – namely China as a formidable threat – to an economic and environmental frame focusing on affordability and climate action, thereby reducing the perceived political cost of market entry into the US. This approach requires EV companies to assume a far more proactive role in policy advocacy than they currently do in China. Firms would no longer simply comply with existing laws, but would engage actively in the legislative process. They should consider making lobbying efforts both at the federal level and the state level.

BYD USA is currently the frontrunner. It has been cooperating with Capitol Counsel since 2021 and has spent $740,000 on congressional lobbying in 2024 alone (OpenSecrets, 2025). Other Chinese EV companies could similarly hire professional lobbying companies and policy consultants in Washington to advocate for technology-neutral EV incentives that prioritize emissions reduction over country of origin. An alternative policy objective could be setting higher standards in areas where Chinese EV companies have a distinct technical advantage, notably lithium batteries. Advocating for stricter general standards would be a good position with NGOs and interest groups as it aligns with their interests. If US regulatory requirements are increased, Chinese firms would readily satisfy them and outperform potential competitors in the market.

In light of Toyota's success in California, state-level lobbying should emphasize supporting local suppliers – such as parts manufacturers and logistics companies – who would benefit from the Chinese firms' entry. In response to such positive framing, domestic firms might potentially lobby for fairer trade treatment in their respective states. It is noteworthy that policy advocacy requires choosing the right moment to pursue, ideally at a time when other diplomatic and security issues are not overwhelming the EV discussion. Lobbying is important for positioning and under-

standing whether there will be a shift in political dynamics or a policy "window opening" that would allow for a breakthrough – for instance, when a new administration brings a more globalist mindset. For now, Chinese EV companies should remain vigilant of the emerging tendency in Washington to tighten federal scrutiny of lobbying on behalf of Chinese clients and potential future restrictions (Lippman & Oprysko, 2024).

Local Engagement

In practice, seeking systemic changes in federal policy toward Chinese entities would be considerably difficult. A more viable approach for Chinese EV firms is to build a strong reputation in the US through active engagement with local stakeholders. For instance, their subsidiaries and spinoffs in the US could partner with labor unions to demonstrate commitment to American jobs. In the case of BYD's US spinoff, RIDE, since all of its current employees are members of a certified labor union, the company could expand existing California operations by increasing local sourcing and unionized employment (RIDE, 2025). Theoretically, offering wages or benefits that significantly exceed local averages of firms in the sector provides companies with a competitive edge in labor supply. It is unlikely, however, that BYD and other Chinese automakers would pursue such actions as they would diminish their cost advantages. A more viable approach is to strengthen firms' connection to local unions by funding workforce development, such as training programs for EV maintenance and repair, which help secure a stable and committed labor force for the company's long-term growth in the US market. Besides labor unions, building coalitions and maintaining good relations with local US businesses, environmental NGOs, and community leaders are equally important. Such partnerships provide Chinese EV companies with opportunities to co-sponsor local initiatives, thereby positioning them as a crucial player in local economic development and environmental goals rather than an aggressive foreign competitor.

Research is commonly neglected in non-market strategy. Partnership with influential think tanks such as the Brookings Institution and CSIS could elevate data-driven discourse about EVs in American society. Data show that the total number of electric vehicles sold per year in the US is still significantly behind that of gasoline and diesel vehicles sold per year (Dwyer, 2023). Provided this fact, Chinese EV companies could consider commissioning US-based studies demonstrating how increased EV adoption – especially purchasing affordable models from abroad – benefits American consumers and accelerates climate goals. They might also establish state-level innovation hubs and collaborate directly with US universities on battery recycling, safety, and clean energy research, framing themselves as a positive technological contributor to the greater public good.

Public Image Improvement

Many researchers have suggested that low consumer acceptance – especially in the West – of Chinese-manufactured products is a significant hindrance to Chinese firms' success abroad (Krisher & Moritsugu, 2024). This study recommends that Chinese EV companies gradually improve their brand image and build consumer trust, thus creating social and cultural space for their market acceptance in the long run. To begin with, Chinese enterprises should demonstrate sufficient awareness of safety compliance with US laws and regulations, since American consumers often consider Chinese products to be of inferior quality. Companies might voluntarily participate in NHTSA safety testing programs and disclose the results to the public to increase consumer confidence. Compliance with "Buy America" standards, which mandate that more than 70% of a vehicle's component costs be produced in the US, is another strategy to improve firms' public image. In the case of BYD, the company could publicize its US spinoff RIDE's success in exceeding the "Buy America" standards and consider announcing future plans to source an even higher percentage of components from the US – potentially 80% – for all US-manufactured vehicles (RIDE, 2025). Such a stance, potentially in combination with strategic philanthropic activities, signals the firm's commitment to boosting the local economy and job market, as well as helping the US build more resilient supply chains.

Chinese EV companies could also invest in soft branding, which underscores the advantages that their market entry would bring to American society and helps mitigate national security concerns. In their marketing campaigns, firms should emphasize the contribution of electric vehicles, especially their energy efficiency, to environmental protection and their partnerships and collaborations with local entities, while being less explicit about the country of origin to avoid triggering negative associations with products "made in China." For instance, RIDE's marketing efforts could focus on its vehicle's local assembly, local suppliers, and joint research and development instead of its China-developed technologies. In addition, engaging in thought leadership could meaningfully influence public perception of the firm. Chinese EV enterprises could consider increasing their presence at international auto shows, climate conferences, and relevant policy forums. BYD, for its part, commanded global attention at the 2024 Paris Motor Show despite impending EU tariffs (Eddy & Alderman, 2024).

According to the Deutsche Bank survey in 2020, Baby Boomers have the lowest preference (12%) for Chinese products, while Generation Z has the highest (41%). This suggests that negative perceptions of Chinese products are not uniform across the entire American population (McDaniel, 2020; Villarreal, 2020). Hence, Chinese EV firms should primarily target younger consumers in advertising efforts. This entails the effective utilization and management of social media. Because it is possible to import foreign vehicles into the US for research purposes (for a maximum of one year), Chinese automakers could consider collaborating with American influencers and local EV enthusiasts to increase the public's familiarity with their models and potentially normalize Chinese electric vehicles in US public discourse through experiential campaigns such

as test drives and demo tours. Meanwhile, firms could also establish a presence on social media independently. Amid the heated exchange between TikTok's CEO Shou Zi Chew and US lawmakers during the 2023 congressional hearing, Chew garnered public support with a video on TikTok's official account warning users that politicians "could take TikTok away from all 150 million of you." The message successfully drew sympathy from free speech proponents, who advocated against the federal government's plan to ban the app (C. Kang et al., 2023). In light of TikTok's approach, Chinese EV companies should remain active contributors on social media, especially when contentious issues on which public opinion is divided arise.

Conclusion

Undoubtedly, Chinese electric vehicle companies currently face an exceptionally restrictive environment in the United States despite their global expansion and technological edge. Extraordinary tariffs, expanded definitions of restricted vehicle components, heightened scrutiny of Chinese-linked supply chains, and a charged political climate together leave virtually no room for direct market entry. Moreover, these legal and geopolitical barriers are reinforced by deep-rooted consumer skepticism toward Chinese brands and growing ethnocentric preferences in the US. However, BYD's experience in its operations under the US spinoff RIDE illustrates that practical workarounds persist. Alternative pathways such as localized manufacturing, subsidiary restructuring, compliance-centered branding strategies, and deeper engagement with US stakeholders allow Chinese firms to maintain a meaningful, though limited, foothold while navigating an otherwise prohibitive regulatory landscape.

Looking forward, the prospects for broader market entry will largely depend on political dynamics, shifts in US economic priorities, and Chinese firms' capacity to implement sustained non-market strategies. In the short run, passenger vehicle exports from China to the US will remain unrealistic, but targeted investment in US-based production, participation in local supply chains, and strategic partnerships with domestic actors might gradually reduce political resistance. Over the next decade, US electric vehicle policy could evolve in two directions: a loosening of federal restrictions under a more globalist administration, or a continued hardening of industrial policy that pushes Chinese firms toward deeper localization as the only viable route. Ultimately, while market penetration will be slow and politically contingent, Chinese EV companies that combine technological advantages with long-term reputational, political, and social investments stand the best chance of eventually gaining selective access to the US market.

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