

BYD engages with Italian component manufacturers to increase localization in Europe

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Chinese electric vehicle and battery manufacturer BYD has met with several Italian automotive component suppliers in Turin, Italy, to select new suppliers for its Europe-based manufacturing sites.



Source: Getty Images Plus/metamorworks

The event, organized by BYD with the support of the Italian Association of the Automotive Industry (Associazione Nazionale Filiera Industria Automobilistica [ANFIA]), was aimed at establishing a common ground between the vehicle manufacturer and local supply chain stakeholders, along with discussing BYD's industrial strategy for Europe and sourcing opportunities.

In a press note released by the industry lobby group on Feb. 20, ANFIA said that the BYD-organized event in Turin saw participation from 380 local component suppliers, and 176 individual business-to-business meetings were held between BYD and companies from all over Italy.

BYD's move to seek increased presence with localization of parts in Europe comes despite several roadblocks, including the EU's decision to impose countervailing tariffs on imported battery-electric vehicles (BEVs) from China. These tariffs were implemented by the European Commission after a 13-month anti-subsidy investigation, which found that the BEV value chain in China benefits from unfair subsidies from the government and that these subsidies help automakers in China keep BEV prices artificially low, threatening an economic injury to the carmakers in Europe.

The European Commission approved an additional tariff of 17% on BYD Auto, along with imposing 18.8% on Geely Group, 35.3% on SAIC Group — the owner of the MG Motor brand, late last year. These tariffs were applied on top of the existing import duty of 10% on BEVs shipped from China.

BYD's ambitions for Europe remain consistent irrespective of these countervailing tariffs. To work around these import duties, the carmaker is building two manufacturing plants in Europe — one in Hungary and the other in Turkey, with plans to localize parts and offer a full product range across all segments. This includes addressing customer demand at both ends — luxury buyers as well as budget-conscious buyers. BYD could introduce brands such as Denza and Yangwang in the luxury category, and it plans to roll out the entry-level Seagull A-segment minicar in Europe this April.

While the incoming BYD Seagull is expected to give a run for the money to a number of locally produced BEVs in Europe, the Chinese automaker is also shifting its product strategy for the continent. This includes shifting its focus from a BEV-only portfolio to introduce plug-in hybrid electric vehicles (PHEVs). BYD plans to launch a PHEV variant of every major new model within six months of launching the corresponding BEV model in Europe — a strategy aimed at mitigating the impact of countervailing tariffs imposed by the EU. The strategy also appears to be in line with the surging consumer demand for hybrid EVs in Europe, as year-over-year growth in BEV uptake fails to take off as anticipated earlier.

BYD's upcoming Hungary-based EV plant is expected to open in October 2025, followed by the commencement of operations at its Turkey-based facility in March 2026. According to S&P Global Mobility forecast, BYD's Hungarian and Turkish plants will have a combined annual production capacity of 500,000 units, with production output projected to be about 220,000 vehicles by 2027.

ANFIA's press note mentioned that BYD's supplier meeting event in Turin saw an overwhelming

response from Italian component manufacturers, with participation levels exceeding initial estimates.

“This high level of interest led to an increase in the meeting’s capacity, allowing most companies to be accredited,” the note said, adding that the carmaker is now mulling to organize a second such meeting for further evaluation.

During the individual B2B meetings, BYD executives specifically illustrated the possible industrial opportunities for each supplier they met with, sharing their evaluation on potential contributions to its production activities in Europe, starting with Hungary in the last quarter of 2025.

“In the medium term, BYD intends to sell cars produced in Europe within the continent,” the note mentioned.

Participants at the supplier meeting were also given a chance to test-drive seven BYD models that were available at the event, including the new Atto 2 and the Sealion 7.

“The quality, innovation and flexibility that have always distinguished Italian component companies have an important opportunity to assert themselves in relation to BYD’s production investments in Europe,” said Roberto Vavassori, president of ANFIA. “This initiative is part of the dialogue that ANFIA seeks to facilitate to help companies seize new opportunities, understand market trends, and maintain and improve their positioning, with the aim of creating a competitive context that enhances Italian excellence.”

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