



CENTER FOR
AUTOMOTIVE
RESEARCH

CAR MBS Roundtable Discussion

June 17, 2026

China Speed: Mapping the Product Development Race and North America's Response

www.cargroup.org

880 Technology Dr Suite C

Ann Arbor, Michigan, 48108

Introduction

China's automotive industry has rapidly evolved from a domestic manufacturing base into a global force that is impacting vehicle production, supply chains, technology development, and competitive dynamics across every major automotive market. At MBS 2026, CAR's "China Speed: Mapping the Product Development Race and North America's response" roundtable convened automotive leaders from the U.S. and Canada to discuss the ways that Chinese automakers have excelled and how North America's auto industry can maintain global competitiveness. This research brief summarizes the roundtable themes and perspectives that emerged from the discussion.

The North American automotive industry is facing an existential threat defined by China's speed. It is a phenomenon that is not merely an output of faster development, but a result of fundamentally different organizational structures with streamlined decision-making, capital access, government support (subsidies), and a long-term strategy to assert global market leadership. While domestic automakers operate within the constraints of legacy production methods, Chinese competitors have redefined the industry through localized sourcing, vertical integration, rapid iteration, common parts, post-launch software completion, and a "fail fast" mentality that contrasts traditional Western product cycles.

Foundational Advantages

China's ability to outpace global competitors stems from a long-term industrial foundation built over decades that positioned the country to capitalize on today's competitive EV market, reflecting a broader national strategy focused on scale, industrial coordination, and technological leadership. Roundtable attendees emphasized the following themes:

- **Financial & State Support:** China's competitive edge stems in part from low-to-zero cost of capital, massive state-led investments and subsidies, and currency manipulation. This type of financing allows manufacturers to sell below cost in the global market, creating an unfair playing field.

- **Government Alignment:** China's central, provincial, and local governments align industrial policy around shared economic priorities, accelerating manufacturing expansion and investment. Special economic zones, streamlined permitting, and coordinated infrastructure development reduce barriers to project timing. As a result, China can complete factory planning and construction before comparable U.S. projects secure their initial permits.
- **Operational Agility:** Large engineering teams, working long hours enable rapid development. Furthermore, common and shared components across manufacturers expedite development cycles, accelerating economies of scale for suppliers.
- **Knowledge Transfer & Selective Adoption:** Chinese manufacturers selectively utilize proven manufacturing principles from Western automakers. Rather than inheriting decades of accumulated program requirements, many new firms adopted only the processes that accelerated development.
- **Digital-First Strategy:** The industry's next competitive frontier is delivering a software-driven user experience that continues to be updated after purchase. Participants asserted that China is currently winning on this new front, treating the vehicle like a smartphone through continuous software and feature updates. China's new market has resonated with these connected capabilities more so than North America's consumer market.

Strategic Pathways for Global Competitiveness

A protectionist approach is not sufficient to compete with China. It requires both targeted, intentional policymaking that ensures a fair playing field and a structural rethinking of how North American companies collaborate and design.

Furthermore, participants emphasized that the industry should not attempt to fully replicate China's approach. Differences in political systems, capital allocation, workforce culture, and established practices of legacy automakers

make replication infeasible, and in some cases, undesirable. Many operational practices could be adapted to leverage North America's strengths with greater use of shared components, streamlined regulatory processes, and deeper collaboration across the industry. The roundtable discussion highlighted the following insights:

- **Systems-Based Development:** In addition to accelerating existing processes, North American manufacturers have an opportunity to streamline complexity while leveraging capabilities in engineering, automation, and software integration. This could be enabled by leveraging AI and machine learning to accelerate decision making at all stages of the product development cycle.
- **Collaborative R&D:** Collaborative research and development allows companies to pool capital, expertise, and technical resources around pre-competitive technologies, reducing duplicative investment and limiting stranded capital during periods of financial constraint. Participants pointed to the rapid development of COVID-19 supplies as an example of how coordinated effort can accelerate innovation. The auto industry could expand collective North American strengths such as battery technologies, autonomous driving software, and vehicle connectivity. Automotive hubs, such as Detroit, provide ideal ecosystems for these types of consortium initiatives.
- **Continuous Benchmarking:** Industry should continue benchmarking Chinese automakers as well as North American startups like Tesla and Rivian alongside legacy automakers to provide perspective on what can be achieved without legacy organizational and product constraints.
- **Rules of Market Engagement:** Even as Chinese automakers enter the North American market, policymakers can shape the competitive environment. Clear domestic standards for cybersecurity, connected vehicle data, supply chain transparency, and safety, combined with strategically applied trade measures can establish consistent rules of engagement to create a fair and competitive playing field while supporting domestic growth.

- **Sustained Leadership:** North America's leadership within advanced automation, AI, software development, and innovation hubs such as Silicon Valley make closing the gap achievable.

Conclusion

At MBS 2026, CAR's "China Speed: Mapping the Product Development Race and North America's response" roundtable highlighted that responding to China Speed will require a coordinated strategy that aligns industrial policy, strengthens supply chain resilience, closes critical capability gaps, and advances the engineering, manufacturing, software, and workforce capabilities needed to improve long-term competitiveness across the automotive ecosystem. CAR remains committed to bringing industry and policy leaders together to translate discussion into actionable strategy. We invite industry stakeholders and policymakers to return to the table. Now is a critical time to convene and unite around a transformative strategy for the North American auto industry.

About the Authors

Center for Automotive Research

The Center for Automotive Research (CAR) is an independent, non-profit organization conducting industry-driven research and analysis. Focusing on critical areas like Energy & Sustainability, Technology, and Labor, Economics, and Policy, CAR has been a trusted resource for the automotive industry for over twenty years. www.cargroup.org

For correspondence, contact info@cargroup.org.

For citations and reference to this publication, please use the following:

The Center for Automotive Research (2026). *Impact of Automotive Tariffs: Understanding the Effects on Parts, Tooling, and Vehicles*. Ann Arbor, Michigan.



880 Technology Drive, Suite C | Ann Arbor, MI 48108 | www.cargroup.org

CAR's mission is to inform and advise through independent research, education, and dialogue, enabling a more viable and sustainable automotive ecosystem.
