ITALIAN TRADE AGENCY

ITA Beijing Office

NEWSLETTER

MACHINERY & AUTOMOTIVE
26 October - 01 November 2026



Export Curbs Imposed on Tunneling Machines
China will impose export controls from Nov 18 on drones, tunnel-boring machinery and dredgers with dual-use potential. Exporters need Commerce Ministry licenses, with simplified procedures for compliant firms. Shipments to sensitive countries require government approval; others use registration. The moves aim to safeguard national security and fulfill nonproliferation obligations while facilitating compliant trade. **(China Daily)**

MNCs Tap China for Global Scale
Stellantis bought about 21% of Leapmotor for €1.5 billion ($1.68 billion). Their joint venture (51/49) combines China's new energy vehicle (EV) supply chain with European capacity. By May it had over 850 European sales/service outlets, targeting more than 40,000 deliveries in 2025. A planned Opel EV may use the joint venture parts, and a Spanish plant supplies 40,000 chassis annually. **(China Daily)**

Forvia to Boost GWM's Overseas Growth
French supplier Forvia is expanding its partnership with Great Wall Motor beyond China to support the automaker's overseas push, covering innovation, supply chain resilience and local production. GWM's overseas sales hit 506,800 units in 2025 (+11.6% year-on-year), while China's vehicle exports reached 8.2 million in Jan-Sep, up 65.8%, with full-year exports projected at 10 million. **(China Daily)**

Gasoline Vehicle Resale Values Weakening as NEVs Gain Popularity
Gasoline vehicle resale values are weakening in China. The average three-year retention rate for gasoline cars fell to 46.07% in the first half of 2026, versus 44.8% for new energy vehicles - a sharp reversal from 2023, when gasoline cars led by 20% points. In September, fuel-powered models on Guazi held 51.1% versus 48% for NEVs, while the China-overseas brand gap narrowed to just 0.7 points. **(China Daily)**

Policy to Spur Next-gen Smart Plants
China is drafting a next-generation smart manufacturing policy to embed AI across industry, cultivating tiered smart factories and intelligent equipment. Industrial output grew 5.3% in Jan-Sep, with electronics value-added up 15.8%; Jan-Aug electronics revenue reached 12.8 trillion yuan ($1.92 trillion, +20.1%) and profits 847.5 billion yuan ($126.9 billion, +109.9%), driven by AI. **(China Daily)**