

Executive Summary Mobility Startups in China - VDA Edition

Author

CIMK is a German-Chinese data analysis and market intelligence company with the aim to capture and analyze Chinese innovation and development in various industries.

Overall Development

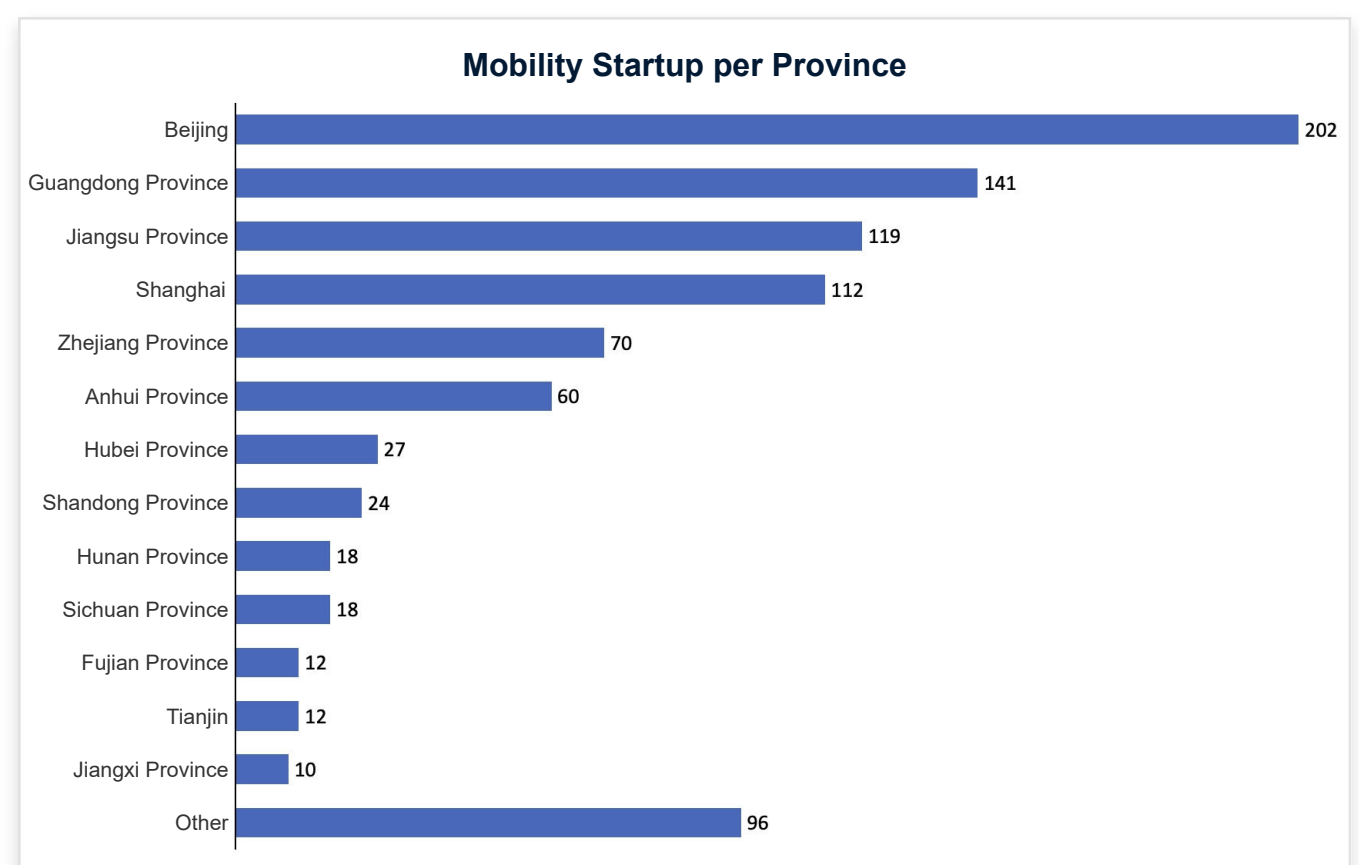
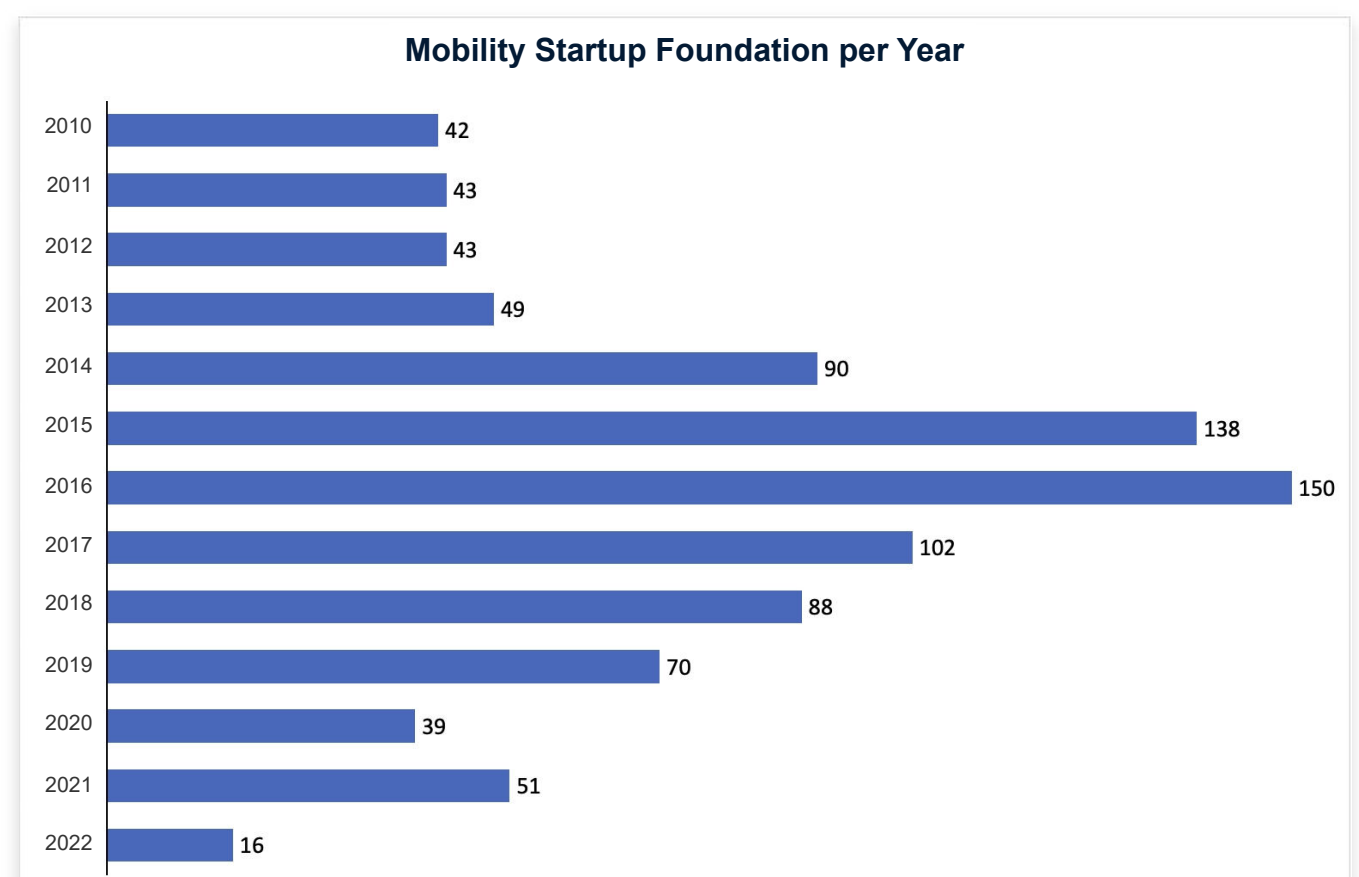
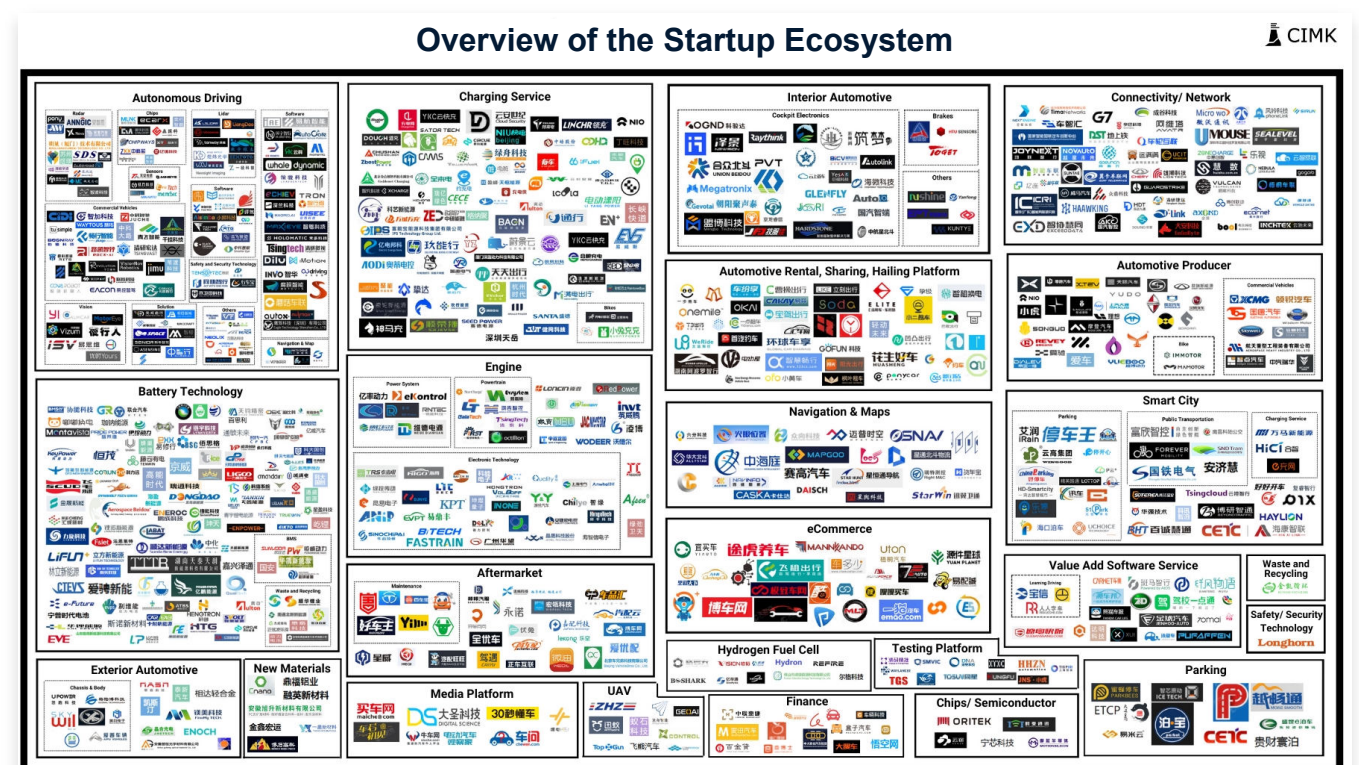
The coverage of all relevant mobility startups in China was realized through a CIMK-specific company identification and evaluation process. The process includes the structured collection of companies from enterprise databases, the merging of company information from various data sources, and the semi-automatic analysis and categorization of the startups. A total of 921 Chinese mobility startups were founded after 2010, received venture capital, and are still active in 2023.

Looking at the founding date of these companies, it can be seen that a majority of the active mobility startups were founded between 2014 and 2018. Due to the initial shift to electric mobility and the proclaimed goal of the Chinese government to become the world leader in e-mobility, a high number of new automotive startups were founded around that time. The peak was reached in 2016 with the foundation of 143 mobility startups. The total number of new mobility startups then declined in recent years. It has been shown that companies take an average of two years (737 days, to be exact) to complete their first round of funding

Considering where these mobility startups were founded, it can be seen that Beijing, Guangdong province (Shenzhen and Guangzhou), Jiangsu province (Nanjing, Suzhou, and Wuxi), and Shanghai are the leading locations. 65% of all new mobility startups are headquartered in one of these four provinces. These leading provinces already had an existing automotive, technology, and startup ecosystem and were able to attract these new startups due to existing network effects.

In terms of ownership structure, it can be said that the Chinese state has a significant influence on mobility startups. In about 30% of all mobility startups studied, public funds were invested in at least one funding round. In 18% of the cases, government investors even hold a significant double-digit share in the startups.

The identified mobility startups were sorted into 24 different startup categories. In general, it can be seen that most startups can be classified into one of the three dominant categories, which are autonomous driving, battery technology, and charging services.



Development in 2022

The year 2022 was a challenging year for the Chinese economy, which clearly impacted the foundation of new startups in the mobility sector. Thus, only 16 new startups were recorded from 2022, which have closed at least one external funding round. If one looks at the areas in which these startups can be categorized, the areas of battery technology and autonomous driving continue to dominate.

On the other hand, existing startups were able to raise RMB 114 billion in 424 investment rounds. This is the second-highest amount after the peak year 2021 and shows that a lot of capital is still invested in this mobility segment. Many of the now-established companies from 2014 and 2015 are now in a very late stage and thus raising investment rounds in billions of RMB.

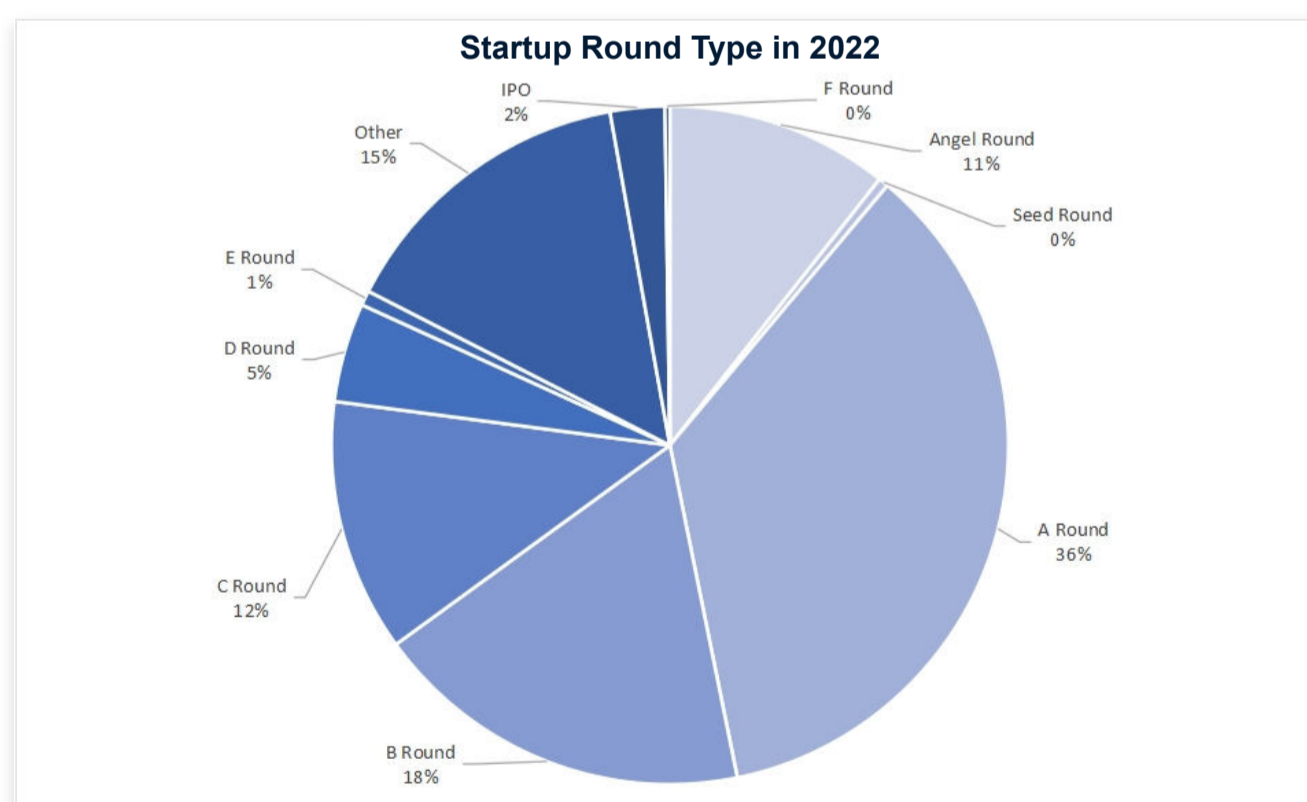
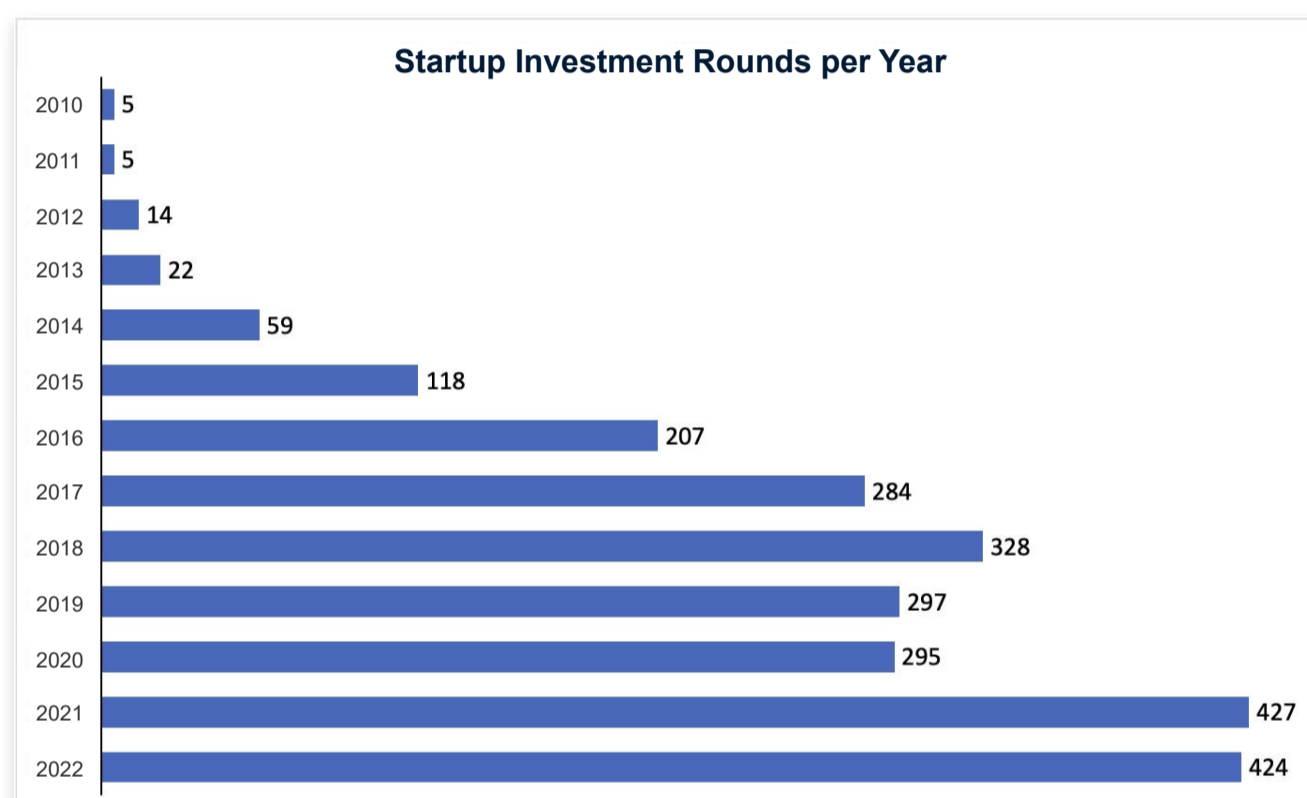
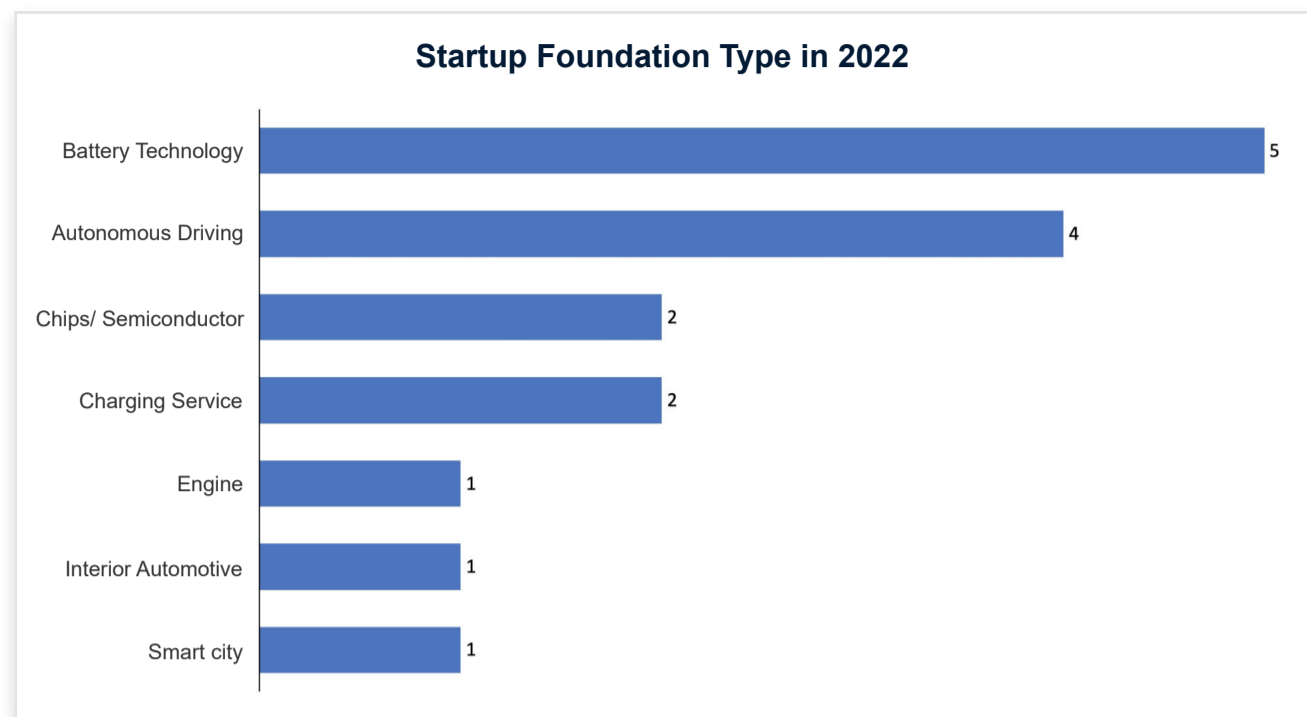
Looking at the relative distribution of investment rounds, it can be seen that around half of the rounds in 2022 are early-stage rounds (up to A Round), and the other half are later-stage rounds, which speaks for a matured mobility startup ecosystem. The investment round type "Other" includes equity financing (shareholders of a company are willing to give up part of their equity and bring in new shareholders by way of a directed capital increase) and strategic financing, in which a company takes on investors with the sole aim not of financial gain but rather of industrial synergies or other objectives for raising capital.

Some private and government-related venture capital funds have made up to seven startup mobility startup investments in 2022. One example of German investment in the Chinese mobility startup ecosystem is the investment from Continental in the autonomous driving startup Magic Vision in June 2022. The most active investors in this segment are listed below with their logos.



CIMK Offer

If you are interested in a complete analysis of the automotive startup ecosystem in China or in getting detailed insights into startup development and new technology in your sector, please do not hesitate to contact us. ▶



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