

Detroit's "Big Three" more exposed to tariffs than German and Japanese rivals

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- Ford, GM, and Stellantis more exposed to tariffs than German and Japanese carmakers
- Sales of imported vehicles to the US made up 18% of General Motors' global sales in 2024
- 80% of Volkswagen Group's sales in the US made abroad

Last week, the US announced the imposition of tariffs on global imports, leaving the automotive industry facing another challenge. This follows other industry-wide issues, namely falling demand for foreign vehicles in China and stifled growth and regulatory pressures in European markets.

Felipe Munoz, Global Analyst at JATO Dynamics, said: "The rollout of these tariffs is yet another problem for the industry to navigate. The US is the world's second-largest vehicle market, and it will now be more difficult than ever for the vast majority of non-Chinese automakers around the world to trade."

Data from JATO Dynamics reveals that 16.1 million new light vehicles were sold in the US in 2024. Around 6.3 million were largely imported from Mexico, Canada, the European Union, the UK, Japan, and Korea – all of which will face a 25% tariff when exporting vehicles to the US. In addition, from May 3rd, 2025, these measures will be broadened to include automotive parts made outside of the country.

Detroit's "Big Three" left vulnerable

While the 25% tariff has been applied broadly, carmakers will feel its impact in a variety of different ways. For example, in 2024, Detroit's "Big Three" – General Motors, Ford, and Stellantis – sold approximately 1.85 million imported light vehicles in the US, accounting for 13% of their combined global sales.

In comparison, Toyota, Honda, and Nissan – the three largest Japanese brands – sold 17.9 million units globally last year. Of this total, 1.53 million units were imported and sold within the US market, equating to 9%. For

Imported car sales in USA as % of global total 2024

Big-3 Detroit

General Motors
+ Ford
+ Stellantis

12.6%

Big-3 Japan

Toyota +
Honda +
Nissan

8.5%

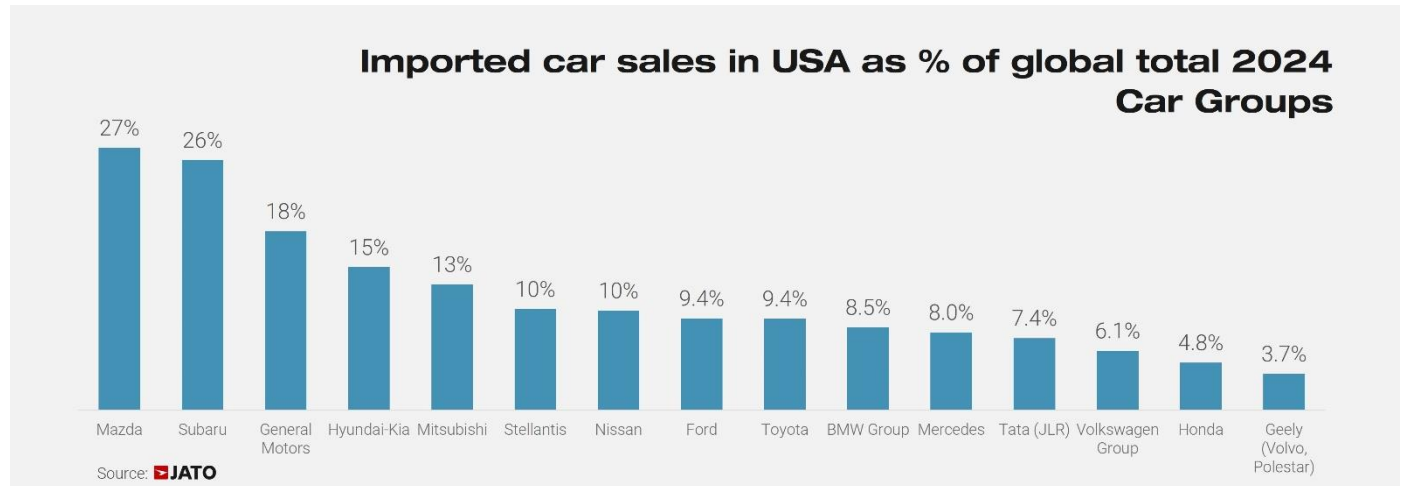
3 Germans

Volkswagen Group
+ BMW Group
+ Mercedes

6.9%

Source:  JATO

Germany's Volkswagen Group, BMW Group, and Mercedes Benz, US demand for their imported cars accounted for 7% of their combined global total.

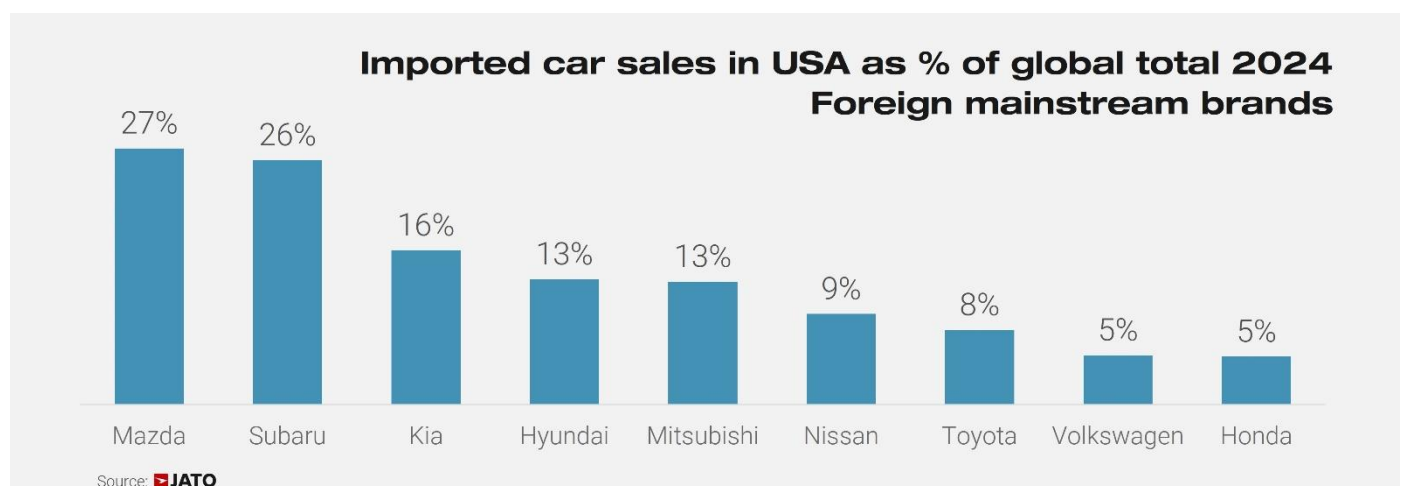


While the new trade policy is intended to boost domestic carmakers, they too will be impacted negatively. With a smaller global presence than some of their Japanese and European counterparts, US manufacturers rely heavily on domestic sales, meaning that tariffs on cars imported largely from Mexico, Canada, and Korea will be felt keenly.

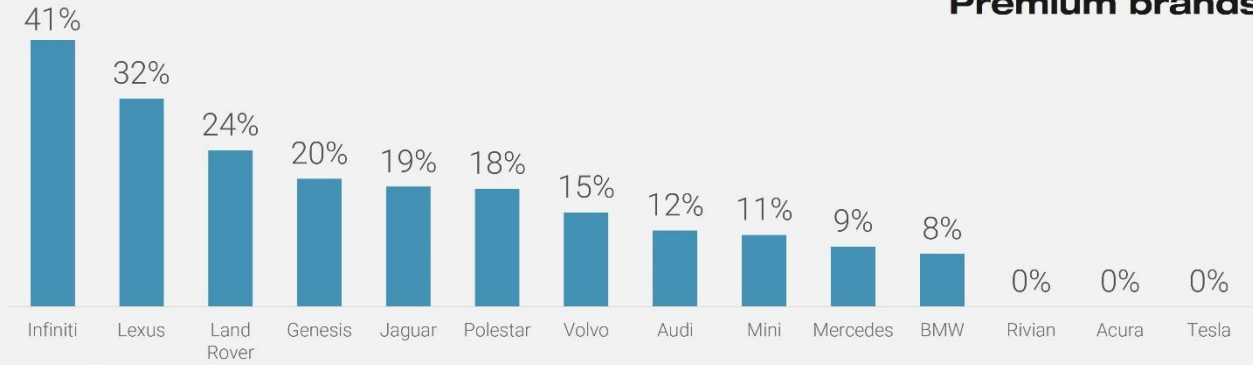
Other brands will suffer

Few will benefit from the imposed tariffs, but some brands will suffer more than others. For example, Mazda, Subaru, and General Motors are most reliant on imports into the US. Mazda sold 1.28 million new cars globally in 2024 – 343,000 of these were vehicles imported and sold in the US. Meanwhile, the US accounted for 71% of Subaru's total car sales in 2024. While a large portion of these vehicles were produced at its factory in Indiana, imports into the US still made up 26% of the brand's total volume globally.

General Motors is highly dependent on the U.S. market, ranking just behind Hyundai-Kia and Toyota in total vehicle imports in 2024. Its global footprint is largely concentrated in North and South America, China, and a few smaller markets. Notably, sales of imported vehicles in the U.S. made up 18% of GM's total global sales. That was the highest percentage among the world's five largest automakers.



Imported car sales in USA as % of global total 2024 Premium brands



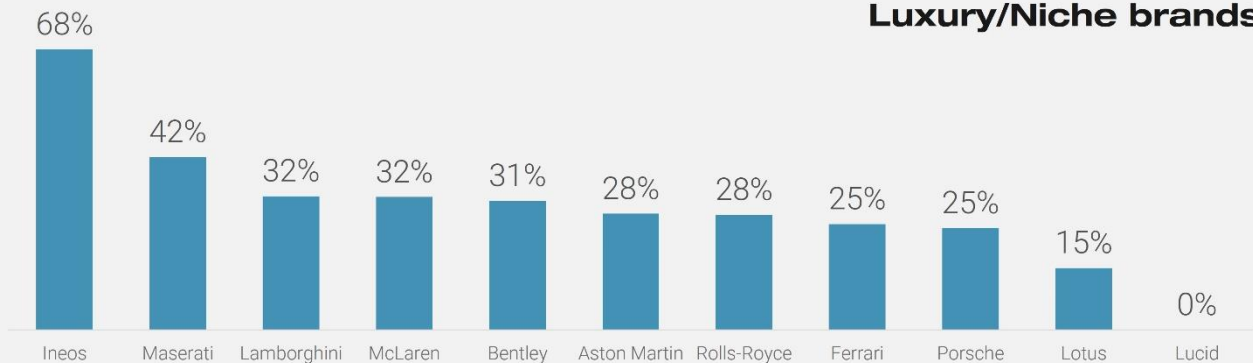
Source:  JATO

Volkswagen Group to hit roadblocks

In 2024, the US made up less than 10% of Volkswagen Group's global sales. As a result, the German manufacturer, alongside Honda, is less exposed than other major carmakers; however, this level of protection will be offset by the fact that vehicles made abroad account for approximately 80% of its sales in the US.

Munoz added: "The US is a vital market to 14 of the 18 non-Chinese global carmakers. For the likes of Volkswagen, the US contributes a relatively small amount of the brand's total revenue, but it will seek to hold a presence to retain its position as a global brand. Alongside Volkswagen, it is likely that Volvo, Hyundai-Kia, Mercedes, BMW, Stellantis, Toyota, Nissan, Subaru, and General Motors will need to increase their production footprint in the US in the near future. The US is a market that they can't leave."

Imported car sales in USA as % of global total 2024 Luxury/Niche brands



Source:  JATO

About JATO

JATO Dynamics, founded in 1984, now has representation in over 51 countries around the world. We provide precision under pressure, providing the world's most timely, accurate and up-to-date automotive information on vehicle specifications, pricing, sales and registrations for over 30 years. We offer more than just data, as we've watched the world change, and consumer mindsets alter with it we have been able to offer insights that help inform the industry. We're able to react to short-term market movements, plan for long-term developments and ultimately to meet the needs of our clients. Visit JATO at www.jato.com for more information.