

Weekly China Insight

Special Edition - Globalization of Chinese firms

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Chinese AI hardware startups go global, targeting US and European markets

On 14 August, Chinese domestic media Caixin reported a surge of Chinese AI hardware companies expanding into overseas markets, with the US and Europe becoming the primary destinations. Shenzhen-based startup Plaud AI, founded in late 2021 generated over USD 180 million in annual revenue with only two products – an AI-powered magnetic recorder and a wearable capsule recorder – both offering integrated transcription services via OpenAI, Claude, and Google models. Following Plaud AI's lead, numerous Chinese manufacturers are replicating its "hardware purchase + software subscription" model, though few have matched Plaud AI's product quality or brand resonance. Meanwhile, established players like Remo Tech and Rokid are also thriving abroad, with Remo's AI cameras now deriving over 30% of its sales from North America, and Rokid pivoting from pandemic-era AR thermometers to AI smart glasses and forging partnerships with Google.

China's AI hardware firms are leveraging domestic supply chain advantages, fast iteration cycles, and affordable innovation to win market shares in developed economies. However, sustaining this growth momentum will require brand-building, localized software ecosystems, and agile adaptation to shifting global dynamics.

China's lithium battery exports rise while US-bound home appliances slump under tariff pressure

On 18 August, China's July customs data showed strong export momentum in clean-tech goods like lithium batteries, while US-bound consumer goods, particularly home appliances, saw deepening declines. In July, China exported 410 million units of lithium-ion batteries, up 25.4% y/y, equaling USD 7.05 billion in value (up 31.7% y/y).

In contrast, home appliance exports dropped 4.7% y/y in volume and 3.8% y/y in value to USD 8.3 billion, caused by US tariff hike. During the window of tariff rates easing between China and the US, Chinese exporters accelerated shipments in recent months, but July exports to the US still fell 21.7% y/y. Meanwhile, Chinese exports are expanding in non-US markets, with July exports to the EU, Latin America, and Africa rising notably.

When faced with rising US tariffs, Chinese exporters are doubling down on their strategic pivots, emphasizing on high-tech exports and redirecting trade flows to diversify away from US exposure.

Chinese food delivery giants clash in Brazil's high-stakes market

On 19 August, Didi's Brazilian food delivery unit – 99Food – filed a lawsuit in São Paulo court against Meituan's overseas platform Keeta, alleging trademark infringement and unfair competition. Just five days earlier, Meituan had initiated legal action against 99Food, accusing it of anticompetitive practices including exclusive contracts with restaurants backed by cash incentives. Both sides have accused the other of copying branding elements and engaging in deceptive advertising practices, with a prior court ruling already ordering 99Food to cease keyword manipulation targeting Keeta on Google or face daily fines. Despite its legal battles, 99Food only resumed operations in April 2025 after a two-year pause, while Keeta has yet to officially launch in Brazil. The dispute unfolds amid iFood's dominance in Brazil's food delivery market, where it controls over 80% share and recently pledged to invest 17 billion reais by 2026 to counter foreign entrants.

The escalating legal war reflects intensifying competition in Brazil's lucrative delivery sector, but Meituan and Didi's deeper challenge lies in breaking iFood's entrenched dominance and navigating Brazil's complex regulatory and consumer environment.

Pop Mart's Americas revenue surges 1142% as its global expansion accelerates

On 20 August, Pop Mart reported record-breaking growth in its 2025 interim results, with group revenue rising 204.4% y/y to RMB 13.88 billion and net profit increasing 385.6% y/y to RMB 4.68 billion. Most notably, its revenue in the Americas grew by 1142.3% y/y, driven by the soaring popularity of its Labubu icons and a rapid retail rollout. Pop Mart CEO Wang Ning confirmed that the company's US expansion would maintain a "quality over speed" approach, even as overseas stores jumped to 128 locations in H1, up from 58 as of last year, with plans to exceed 200 stores by year-end. The company's stock surged 12.7% on the news, reaching an all-time high of HKD 318.4. Pop Mart is also entering the Middle East this year, with a flagship store opening in Doha, and expanding into emerging markets including Central Europe and Latin America. The company is also bolstering its global e-commerce strategy, with online sales now accounting for 45.8% of Pop Mart's overseas revenue.

So have you heard of it's popular IP Labubu?



Image source: POP MART