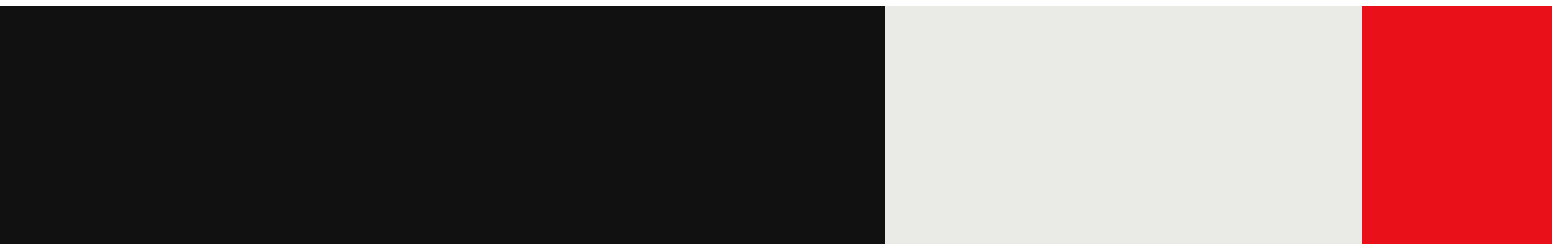


At least two out of every three cars sold worldwide will be electric by 2040—we look at the evolving global EV landscape

Article



The news: Global electric vehicle (EV) sales are expected to increase sharply from 3 million units in 2020 to 66 million in 2040, per Bloomberg. EVs would represent two-thirds of passenger vehicle sales by 2040, with Europe and China leading the charge.

EV adoption is expected to surge behind mounting government support and continued carmaker shift to EV and plug-in hybrid vehicles, as well as intensifying pressure to move away from fossil fuels.

EV adoption has spiked: Increased driving range, more body styles, and a wider price range are key factors sparking consumer interest.

In the US, total EV sales in 2021 are up by **119%** over 2020.

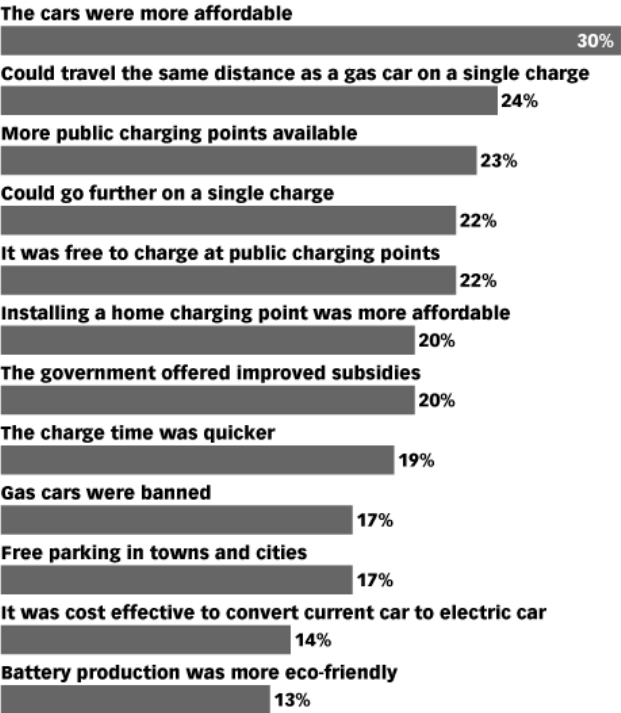
- Global passenger plug-in electric car sales **increased in March by 173% YoY** to more than **531,000**, the second-highest recorded monthly sales. **Tesla** propelled most of the EV gains, with US sales **rising 78%** through June. Carmakers like **Ford** and **Volkswagen** also helped move the needle with their recent EV model releases.
- The US has set an aggressive EV sales target of **50% by 2030** with the carmaker's support that half the vehicles sold by the next decade would be EVs, hydrogen-fuel cell, or plug-in hybrid models.
- Car manufacturers like Volvo and Mercedes-Benz pledged to go **all-electric** within the next decade, and other manufacturers promised to convert some of their segments into all-electric vehicles.
- Lack of EV charging infrastructure in the US is still a huge deterrent to EV adoption, especially in dense city centers and remote rural locations. This could be mitigated by **Tesla opening up** its charging network to competitors, as well as the **\$7.5 billion** EV charging investments as part of President Joe Biden's \$1 trillion infrastructure bill.

The takeaway: Cheaper, longer-range EVs in a variety of body styles can propel widespread adoption—but the supporting EV charging infrastructure, as well as tax credits and incentives, may also weigh on consumer's minds as they decide whether to go all-electric in the near future.

Government policies, particularly in the **US**, **Europe**, and **China**, and automaker commitments toward bringing EVs to the mainstream, are all positive signs—but the outlook is not all rosy—lithium shortages, battery scarcity, and the protracted chip shortage will continue to limit EV sales, at least in the short term.

Factors/Features UK Drivers Would Consider Towards Purchasing an Electric Vehicle, Jan 2020

% of respondents



Source: Autotrader, "Cars OfThe Future," Feb 13, 2020
254312 www.eMarketer.com