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Growth in the e-mobility market: Climate goals give electric cars and plug-in hybrids a significant boost

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- **Singapore and the Netherlands saw the highest growth in numbers of electric cars and plug-in hybrids sold**
- **Expansion of charging infrastructure remains crucial to the success of e-mobility – Netherlands leads the way**
- **Falling prices for electric vehicles will further stimulate the market**

Munich, October 2018: The heated debate surrounding climate change is putting the automotive industry under intense pressure. Europe's regulatory authorities have already set clear limits for manufacturers: Every OEM's entire vehicle fleet must average 95g CO₂/km by 2021. The international Automotive Disruption Radar (ADR) published by Roland Berger indicates that automakers are on the right road to hitting this target: While global car sales figures are declining overall, sales of electrically powered vehicles are rising. In the past 12 months, 35 percent more electric cars and plug-in hybrids have been sold in Germany. Sales rose even more strongly in Singapore (241%) and the Netherlands (120%). The ADR regularly surveys a panel of around 16,000 consumers across 17 countries to analyze key automotive trends.

In spite of this positive development, the share of electrically powered

vehicles in the market remains low overall, with leading automotive nations still languishing in single digits. Electric cars and plug-in hybrids make up just 5 percent of the market in China, 2.5 percent in Germany and 1.8 percent in the United States.

Infrastructure not being built fast enough

"While OEMs are ramping up their plants for electric vehicle production, safeguarding their future supplies of batteries and thereby facing up to the transformation in the automotive sector, the necessary infrastructure is still not in place," says Wolfgang Bernhart, Partner at Roland Berger. Leading the way in the expansion of charging infrastructure for electric cars is the Netherlands with an average of 29.3 charging stations per 100 km of road. China has 8.3, Germany 1.9 and the USA a mere 0.3.

The lack of infrastructure is also a crucial stumbling block to implementing the switch from conventional vehicles to electric cars in a city-center setting. In the ADR survey, 80 percent of 18-29-year-old American and Chinese respondents said they would be interested in buying an electric car. "More and more cities are regulating traffic and taking drastic measures like banning vehicles in order to meet their environmental targets," explains Stefan Riederle, co-author of the study. "Yet consumers would be prepared to make the switch."

Electric car prices falling

The growing willingness among consumers to accept electric mobility can be put down to the increased range of the vehicles and the wider choice of electric cars available: Whereas electric cars made up 10.8 percent of the total portfolio of vehicle models in 2017, today's figure has risen to 19 percent. And it is rising still. "We anticipate that electric car prices will become more attractive to customers as automakers remain compelled to meet their fleet emission targets," says Wolfgang Bernhart. "This is bound to act as an added stimulus to the electric mobility market."

Once e-mobility really gets going, OEMs will certainly benefit. At the moment, the margin on every electric car sold is still lower than the margin on an ICE. But as demand rises, it will pay to have special electric vehicle platforms, which will bring the cost per vehicle down even further. "This is not just good for carmakers," says Stefan Riederle. "It also makes electric mobility less expensive, and that is ultimately good for the environment."

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