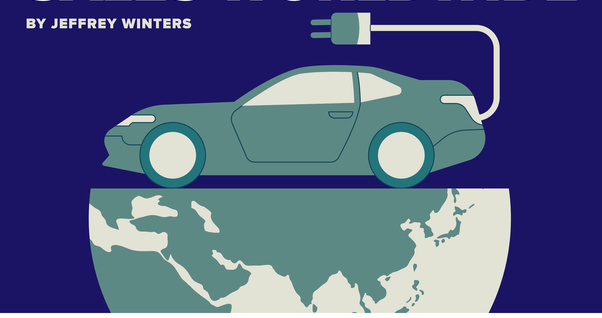
ELECTRIC VEHICLE SALES WORLDWIDE

BY JEFFREY WINTERS



Recent headlines in the U.S. media have been full of gloom for the electric vehicle sector. Ford announced it was scaling back production of its electric F-150 pickup. GM revised its projected EV sales targets for 2024 and beyond. And the rollout of Tesla's much awaited Cybertruck has been met with derision and mandatory recalls. It would be enough to give the impression that EVs were a fad, not the future of transportation.

Widen the scope, however, and EVs are booming. According to the International Energy Agency (IEA), the share of new cars sold worldwide that are either fully battery-electric or plug-in hybrids rose to 18 percent in 2023, up from just 2 percent in 2018. In terms of total units, that's 13.8 million vehicles.

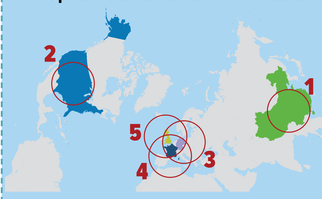
While China leads all countries with more than 8 million electric vehicles sold in 2023 (or 59 percent of the global total), Scandinavian nations such as Sweden and Finland see EVs comprise a majority of their car sales. For Norway, it's an astonishing 93 percent.

And for all the bad headlines, U.S. sales of EVs reached nearly 1.4 million in 2023. Not too shabby for a fad.

Below are some more insights from the IEA's *Global EV Outlook 2024*.

ELECTRIC VEHICLE SALES

Top 5 Nations in New Electric Cars Sold, 2023



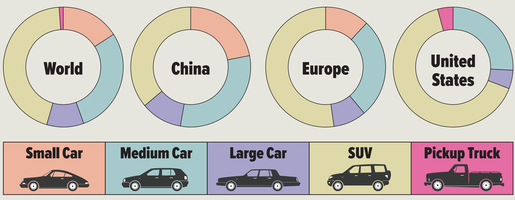
China	8,100,000
United States	1,390,000
Germany	700,000
France	470,000
United Kingdom	450,000

Data source: International Energy Agency. Global EV Outlook 2024

The top five markets in terms of sales of EVs accounted for 80 percent of all EV sales in 2023. While China, the United States, Germany, France, and the United Kingdom dominated in terms of units sold, none of those countries had made it to EV-majority status. (In China, 38 percent of new cars are electric, and France, Germany, and the U.K. are at around one-quarter.) While Norway did see almost all its new car sales go to EVs, the share of electric cars on the road was still only 29 percent, according to the IEA.

TYPES OF EVs SOLD IN 2023

Electric Vehicle Sales by Segment



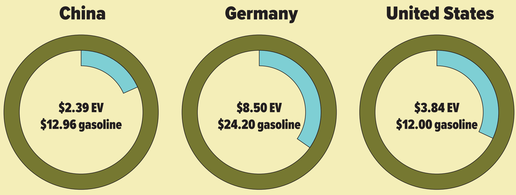
Data source: International Energy Agency. Global EV Outlook 2024

Early EVs were small cars similar to the Toyota Prius hybrid vehicle. And in China, small and medium-size cars still make up a majority of the EV sales. But the general trend of late has been to make electric vehicles much larger—the size of sports utility vehicles (SUVs). Part of this is because SUVs are a popular size for gasoline-fueled vehicles and automakers are meeting customers where they already are. But also, the larger form factor enables the vehicles to carry larger battery packs, extending their range.

TOTAL COST OF OWNERSHIP GAS VERSUS ELECTRIC

Cost of Energy to Travel 100 Miles

medium-size car, 2022 energy costs



Data source: International Energy Agency. Global EV Outlook 2024

One key factor pushing consumers toward EVs is the reduced cost of ownership. While the typical EV is more expensive than a low-end gasoline-fueled car, the efficiency of electric vehicles enables car owners to save money on every mile driven. The IEA provided comparison data for the cost of driving an EV and a gasoline-powered car in China, Germany, and the U.S.; EVs cost only one-third to one-fifth as much to drive as conventional cars of the same size. Especially in markets where electricity is cheap, EVs will have an overwhelming advantage.

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