

Accelerating the adoption of Electric Vehicles in Europe

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Background

Electric vehicles (EVs) have the potential to considerably reduce transport emissions and contribute further to the decarbonisation of society, especially when coupled with low-carbon sources of electricity. As a result, in recent years EVs have experienced increasing interest internationally, with at least fourteen countries setting national targets for the number of EVs on the road between 2020 and 2030.¹ However, EVs represent only 0.2% of total global passenger vehicles in use¹ and have yet to succeed in displacing petrol and diesel-fuelled passenger vehicles.

Much of the debate around the progress of EV adoption has focused on technical issues such as driving range, charging infrastructure and their effects on power grids. Consequently, discussions have neglected to look at how the car retail industry is responding to policy and industry strategies, in particular when offering EVs alongside petrol and diesel vehicles to consumers.

In 2018 EVs accounted for only 2% of the European market share of passenger cars, led by Norway, Iceland, Sweden, and Finland (See Fig 1).² However, even in these leading Nordic markets, EVs currently face variable market conditions that prevent them from reaching mass market adoption.

Considering most consumers do not have previous knowledge of EVs, and also that current market conditions favour petrol and diesel vehicles, consumer experiences at car dealerships can strongly influence their EV purchasing decision.

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About this briefing:

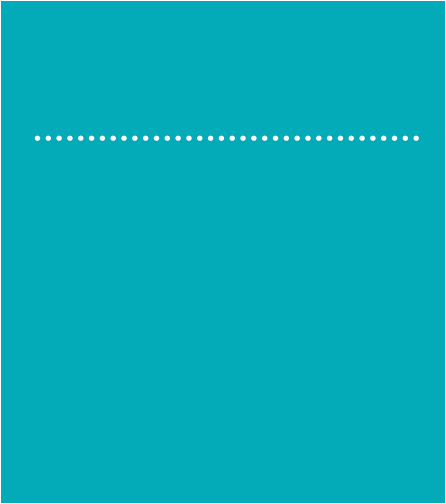
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**Recommendations for
automotive dealerships**

A calibration of incentives across all passenger transportation could, for example, follow the structure of *bonus-malus* (a system that alternately rewards or penalises), where carbon reduction could be incentivised and its production penalised. The optimal balance needs to be found between “carrots” and “sticks”, otherwise the net effect could be null. Sweden is an early example of the transition to a properly calibrated transportation policy scheme. Historically, the country had a

policy scheme favouring petrol and diesel-fuelled vehicles, based on the legacy of local manufacturing brands.^{6,7} However, with the implementation of *bonus-malus*, Swedish transport policy has made the first step towards creating an equitable space for EVs.

Conclusion

Overview

This briefing is based on an independent study of 126 visits to 82 car dealerships across 15 cities in the 5 Nordic countries (Denmark, Iceland, Finland, Norway and Sweden) between September 2016 and July 2017. The study was complemented with 30 interviews with leading industry experts to corroborate findings.

The full paper is available at:

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