



## Electromobility: Competition for market share intensifies

- **The EU, China and the US are promoting electromobility.** All newly sold passenger cars and light commercial vehicles in the EU must be emission-free from 2035. The US introduced its Inflation Reduction Act (IRA) in August 2022, which includes tax breaks for electric cars. China is and has been supporting its electric vehicle manufacturers for over 10 years.
- **In Europe, e-mobility gains momentum (market share in 2022: 22.9%; BEV and PHEV).** Market shares of newly registered electric cars were highest in northern Europe. Electric cars remain underrepresented in eastern and southern Europe. High purchase prices, low incomes and an underdeveloped charging infrastructure are reasons for this.
- **In Germany, a change in the subsidy regime at the beginning of 2023 caused shifts in market shares.** Only purchases of BEV are supported with the reform of the German environmental bonus. The announced reform caused purchases of electric cars to be brought forward at the end of 2022.
- **The future market shares of German group brands in the European electric car market will be determined by the extent to which German manufacturers concentrate on producing vehicles in the higher price segment and leave the volume segment to the competition.** The success of Chinese manufacturers hoping to enter the European electric car market depends on their ability to fill a potential gap in the volume car segment.
- **In China, electric cars reached a market share in total sales of close to 28% in 2022 (BEV and PHEV). German group brands have a relatively low market share in the electric car segment (2022: 5%).** Chinese manufacturers occupy the volume segment to a greater extent. German automakers are likely to continue to strive to protect or expand their market share in China in the premium car segment. Intensifying competition in the volume car segment may make little sense for German car makers since the Chinese lead in terms of economies of scale, and customer acceptance may already be too great.
- **E-mobility is still a niche market in the US, but regulatory frame improves.** German brands account for a fairly high share of the US market for electric cars (11% in 2022) compared with the market as a whole.
- **In many countries with lower incomes, electromobility still does not play a major role.** Electricity shortages or a high local supply of biofuels reduce the likelihood of a fast switch to battery-electric mobility. Therefore, carmakers will have to adopt a two-pronged strategy for countries focusing on combustion engines for the time being.

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## Political backing for electromobility

In many important car markets, policymakers aim to increase the share of electric cars. In the EU, all newly sold passenger cars and light commercial vehicles must be emission-free from 2035. Climate-neutral synthetic fuels (e-fuels) will be the only exception.<sup>1</sup> At the same time, the purchase of electric cars or the expansion of the charging infrastructure is being promoted in many EU states.

In the USA and China, too, the course is being set for electromobility. As part of the US Inflation Reduction Act (IRA) of August 2022, tax breaks for electric cars were extended until 2032.<sup>2</sup> In addition, the cap of 200,000 electric cars per automaker benefiting from the maximum tax exemption will no longer apply.

In China, manufacturers of electric cars have been benefiting from a so-called "dual-credit" policy for many years. Under this evaluation system for car manufacturers' fleet average fuel-consumption, a high share of electric cars in total sales is rewarded with a bonus. These "credits" can be sold to automakers that sell a larger proportion of vehicles with internal combustion engines and thus fail to meet their fleet emissions targets.<sup>3</sup> In addition, there were or are various tax breaks or direct subsidies for the purchase of electric cars in China. The Chinese subsidy policy is motivated not least by industrial policy goals. It aims to strengthen the competitiveness of domestic manufacturers in the young market segment of electric mobility against competitors from Europe, the USA, Japan, and South Korea. At the same time, e-mobility helps to reduce local air pollution in inner cities.

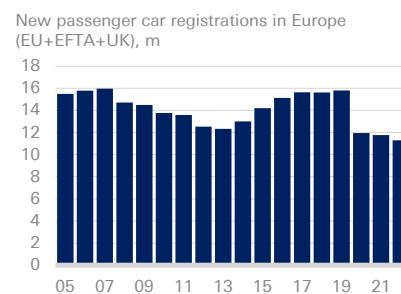
Overall, by electrifying the transport sector (while at the same time expanding renewable energies in the electricity market), governments want to help reduce CO<sub>2</sub> emissions from car traffic. In the following, we analyze the recent development of the market share of electric cars in important car markets (Europe, USA, China) and the role of German manufacturers or group brands in this market segment. Our aim is not to examine the climate policy benefits of electromobility or the economic efficiency of subsidy policies.<sup>4</sup>

## Europe: COVID-19, supply chain disruptions and higher prices lead to decline in new passenger car registrations

Since the peak in 2019, the number of new passenger car registrations in Europe (EU+EFTA+UK) has fallen significantly and steadily. While 15.8 million new passenger cars were registered at that time, the figure was just 11.3 million cars in 2022, a drop of almost 29%. The decline can be attributed to various reasons on the demand and supply side.

On the demand side, purchasing sentiment was initially dampened by the COVID-19 pandemic. Since 2022 at the latest, higher energy prices and a general rise in inflation, as well as rising interest rates have had a negative impact on disposable incomes and the propensity of private households to buy. On the supply side, recent

Figure 1: European car market still far below earlier highs



Source: ACEA

1 Cf. European Council (2023). 'Fit for 55': Council adopts regulation on CO<sub>2</sub> emissions for new cars and vans.  
2 Cf. 117<sup>th</sup> Congress (2022). Inflation Reduction Act.  
3 Cf. The State Council. The People's Republic of China (2020). Dual credit plan will boost NEV development in China.  
4 Cf. to this topic, see Heymann, Eric and Katharina Knuth (2021). Government pays a lot to bring e-mobility forward. Deutsche Bank Research. Deutschland-Monitor.



years have been characterized by many disruptions to global supply chains, which have dampened passenger car production globally. The pandemic and its late effects, the war in Ukraine and other external shocks were and still are major challenges for the industry. In the automotive sector, supply bottlenecks for intermediate goods have not yet been fully resolved. The best-known example is the semiconductor shortage. At the beginning of the COVID-19 pandemic, the industry cancelled existing orders in anticipation of falling demand. When global car demand picked up, production capacity in the semiconductor industry was highly utilized due to stronger demand from the consumer electronics sector. In response to the shortage of materials, the automotive industry focused on the production of high-margin cars, while manufacturing in the more competitive volume segment was scaled back more sharply.

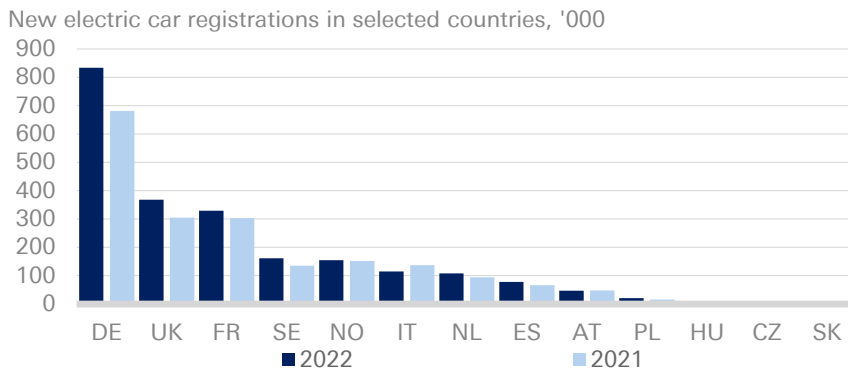
### Electromobility gains momentum, but remains underrepresented in eastern and southern Europe

While total new car registrations in Europe have fallen in recent years, new registrations of electric cars have risen steadily. In 2022, just under 2.6 million electric cars were newly registered, an increase of 14.6% yoy. These included just under 1.6 million battery electric vehicles (BEV) and a good 1 million plug-in hybrid vehicles (PHEV). This also increased the share of electric cars in total new passenger car registrations to 22.9% in 2022 (2021: 19.2%). In 2022, BEV achieved a share of almost 14%. In 2021, it was only 10.3%. PHEV achieved a market share of just under 9% in 2022, a slight increase to the year before.

However, there were significant differences within Europe. The highest market shares of new passenger car registrations in 2022 were found in Norway (88.6%), Sweden (56.1%), and Denmark (38.6%). Significantly below the EU average of 21.6% were Bulgaria (4.0%), the Czech Republic (3.9%), and Slovakia (3.7%). Germany, the largest European market for electric cars in absolute terms, was above the European average at 31.4%.

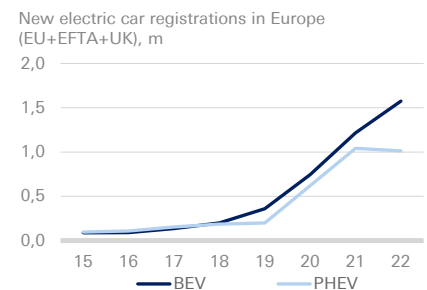
In 2022, the share of electric vehicles in new passenger car registrations increased in all European countries, except for Italy, where PHEV were virtually excluded from the subsidy program.<sup>5</sup> In Europe as a whole, slightly fewer PHEV were registered last year. However, this was more than offset by noticeably higher sales of BEV.

Figure 4: Germany remains largest market for electric cars



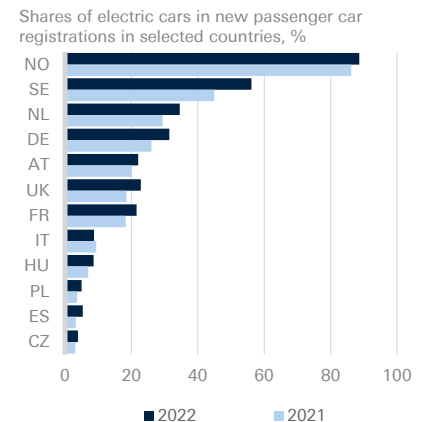
Source: ACEA

Figure 2: BEV extend lead over PHEV



Source: ACEA

Figure 3: Electric cars most popular in Northern and Western Europe



Source: ACEA

<sup>5</sup> Cf. ACEA (2022). Electric vehicles: Tax benefits & purchase incentives.



### Different purchase incentives decisive for success of electric cars

There are many reasons for the varying market shares of electric cars in Europe. In 2022, the share of electric cars in new car registrations was below 10% in half of the 30 European countries studied. This predominantly affects countries in eastern and southern Europe. High purchase costs for electric cars coupled with rather low incomes of private households are decisive for the reluctance to buy.<sup>6</sup> In addition, the charging infrastructure in most of the countries concerned is not yet well developed. According to an ACEA press release from summer 2022, two countries account for almost half of all public charging points in the EU: the Netherlands and Germany. However, the sluggish market ramp-up of electromobility in parts of eastern and southern Europe is likely primarily because these countries tend to forgo direct subsidies or financial purchase incentives, relying instead more on tax incentives during the use phase.<sup>7</sup> Without subsidies for electric cars and the expansion of charging infrastructure in eastern and southern Europe, a rapid turnaround is unlikely.

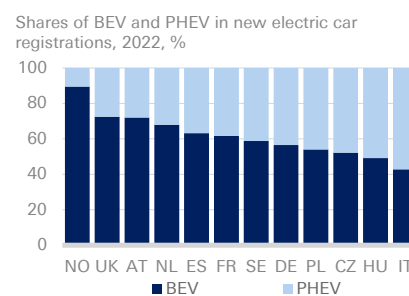
The largest share of electric cars (2022: 88.6%) is found in northern Europe, where incomes are also above average. Norway promoted electromobility early on. Instruments included waiving the vehicle purchase tax and VAT for electric cars, as well as privileges in road traffic (exemption from road tolls and parking fees). In addition, Norway, which has become one of the wealthiest countries in the world through the sale of oil and gas and generates most of its electricity through hydropower, rapidly expanded its charging infrastructure for electric cars. Meanwhile, some of the privileges have been rolled back. Since the beginning of 2023, for example, the exemption from VAT has only applied to electric cars below a price threshold of around EUR 47,000.<sup>8</sup>

### Government purchase incentives more focused on BEV

In the past year, many countries have focused government support on BEV, while subsidies for PHEV have been reduced. For example, there were increased purchase incentives for BEV and reduced subsidies for PHEV in Finland, France, Ireland as well as in Sweden.<sup>9</sup> As a result, in 2022, absolute new PHEV registrations declined in 12 of the 30 countries studied. BEV new registrations increased in all countries studied except Italy. This is also reflected in the shares of BEV in all new registrations of electric cars: BEV were more popular than PHEV in 23 of the 30 European countries studied.

The development continued at the beginning of 2023 due to changes in regulation. In the first five months, the absolute number of new BEV registrations was above the corresponding prior-year level. Only in Norway did new BEV registrations decline due to the aforementioned change in VAT on electric cars. In Denmark, Estonia, Finland, Germany, Sweden, and Malta, new PHEV registrations declined in the first five months of 2023 versus the previous year. In Denmark, tax cuts on company cars have been larger for BEV than for PHEV since 2023. In Finland, only BEV were supported with purchase subsidies from 2019 to 2022, which expired in 2023. Estonia and Malta offer new purchase incentives for BEV in 2023. The Swedish climate bonus was completely discontinued as of November 08, 2022.<sup>10</sup>

Figure 5: BEV mostly more popular than PHEV in Europe



Source: ACEA

6 Cf. ACEA (2023). Interactive map – Affordability of electric cars: Correlation between market uptake and annual net income.  
 7 Cf. ACEA (2022). Electric vehicles: Tax benefits & purchase incentives.  
 8 Cf. Norwegian EV Association (2023). Norwegian EV policy.  
 9 Cf. ACEA (2023). Electric vehicles: Tax benefits & purchase incentives.  
 10 Cf. ACEA (2022). Tax benefits and purchase incentives – Electric passenger cars.



### Change in subsidy regime causes shifts in market shares in Germany

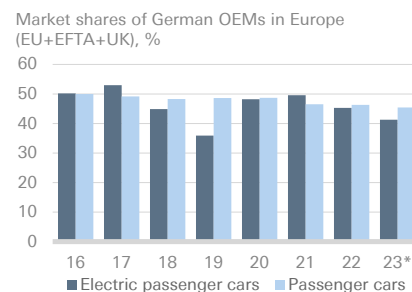
The example of Germany shows how much government subsidies influence the decision to buy electric cars. The so-called environmental bonus, which supports the purchase of electric cars, was reformed on January 01, 2023. Since then, the subsidy has been restricted solely to the purchase of BEV. Here, the state subsidy has been reduced from a maximum of EUR 6,000 per BEV to a maximum of EUR 4,500.<sup>11</sup> Previously, PHEV also benefited from the environmental bonus (the federal share was still EUR 4,500 per vehicle). This direct subsidy expired completely at the turn of the year. The announced end of the subsidy for PHEV and the reduced subsidy for BEV caused purchases of electric cars to be brought forward at the end of 2022. In December 2022 alone, new registrations of BEV in Germany expanded by 115% and of PHEV by 113% yoy. The share of electric cars in new passenger car registrations was thus 55.4% in December 2022 (BEV: 33.2%, PHEV: 22.2%). In the first five months of 2023, however, new PHEV registrations fell by 44% compared with the corresponding prior-year period. Market share shrank to 5.7% (January to May 2022: 11.1%). BEV were able to expand their market share in the first months – despite the lower subsidy (15% vs. 13.3% in the first five months of 2022). From 2024, the environmental bonus for BEV will be limited to vehicles with a maximum net list price for the base model of EUR 45,000.<sup>12</sup>

### Market share of German group brands for electric cars down recently

High market shares in the electric car segment are important for carmakers because they allow them to achieve economies of scale in production and more easily meet their EU fleet targets. The market shares of German automakers in Europe differ depending on the vehicle segment. In terms of total new passenger car registrations in Europe, German OEMs achieved market shares of between 46% and 50% (annual averages) in recent years. In 2022 it was 46.3%. In contrast, market share in the electric car segment has fluctuated more strongly in recent years. In 2017, for example, it was around 53%, but in 2019 it was just under 36% (2022: 45.3%). On average, German manufacturers had a market share of around 41% in the first four months of 2023.

In the coming years, the market share of German group brands in Europe in the field of electromobility will depend on the extent to which German manufacturers concentrate on producing vehicles in the higher price segment and tend to leave the volume segment to the competition. How quickly Chinese automakers – especially in the volume segment – succeed in entering the European market will be another factor. Chinese manufacturers are still operating in a niche market in Europe and tend to offer higher-priced electric cars (the MG car brand, for example, belongs to the Chinese SAIC group). In the medium term, however, they could fill a gap in low-priced electric cars that may not be sufficiently filled by German or other established manufacturers. This can be done both via exports from China or production in Europe. China has now risen to become the world's biggest exporter of cars, overtaking Japan and Germany. While production facilities in the country were previously used primarily to serve the domestic market, exports to third markets are becoming increasingly important. In addition, Chinese manufacturers are looking into setting up production facilities in Germany and Europe to gain direct access to the European market.<sup>13</sup>

Figure 6: German OEMs also strong in the electric car segment in Europe



\* Electric passenger cars: January to April; Passenger cars: January to May  
Source: VDA

11 Cf. Bundesregierung (2022). Neue Förderregeln für den Umweltbonus ab 2023.

12 Cf. Bundesregierung (2022). Neue Förderregeln für den Umweltbonus ab 2023.

13 Cf. Financial Times (2023). The Chinese carmakers planning to shake up the European market.



### Stable value chains important for production of electric cars in Europe

For the production of electric cars in Germany and Europe, it is important in the medium to long term that the supply of batteries or raw materials for battery production is secured. So far, China has been the leading supplier in this segment. The country is the largest processor of raw materials for clean energy technologies.<sup>14</sup> It also dominates the market for battery cell components and battery cells (world market share of around 75% each according to the International Energy Agency). According to the German Federal Statistical Office, a good 39% of all lithium-ion batteries imported into Germany and 28% of all imported electric cars came from China in the 1<sup>st</sup> quarter of 2023.

Many car and battery manufacturers have announced that they will invest in battery plants in Germany and other European countries in order to reduce their dependence on Asia and China in particular. The EU's Critical Raw Materials Act also aims to diversify the supply of raw materials and increase the European share of extraction and processing.<sup>15</sup> However, German carmakers have announced that they will manufacture certain electric cars exclusively in China (not least for cost reasons) and export them from there to Europe.

### China's passenger car market continues to recover

More cars were sold in China in 2022 than in the two previous years. Compared with 2021, passenger car sales in 2022 increased by 9.5% (2021: +6.6%). In absolute terms, passenger car sales increased from 21.5 million (2021) to a good 23.5 million vehicles (data as defined by the China Association of Automobile Manufacturers, CAAM). China thus further expanded its position as the world's largest car market.

At first glance, it is remarkable that the increases in 2022 and 2021 were achieved despite the various COVID-19 measures, which had a dampening effect on production and demand. Nevertheless, it must be taken into account that China relaxed its COVID-19 policy after the extremely restrictive year 2020 (passenger car sales at that time: -6%). In addition, sales in China had already declined in 2018 and 2019 due to changes in the tax and trade policy framework and an economic slowdown. In this respect, there had been some pent-up demand (see figure). In 2022, passenger car sales in China were still close to 5% below the previous record level of 2017.

### Strong growth in electromobility

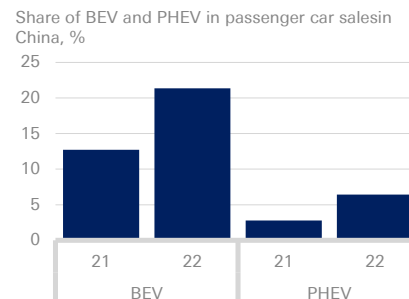
Electric cars continued to expand their market share in China last year. The share of BEV in total passenger car sales expanded from 12.7% in 2021 to 21.3% in 2022, while PHEV more than doubled their share of the total market from 2.8% to 6.4%. Government regulation has played a major role in the market ramp-up of e-mobility for many years. In China, for example, subsidies have been available for the purchase of electric cars since 2010. The direct subsidy for electric cars expired at the end of 2022, but it was replaced by a 10% tax credit that will apply until the end of 2023.<sup>16</sup> Sales of vehicles with alternative propulsion technologies (new energy vehicles, NEV) are given a special boost through an exemption of the purchase tax amounting to EUR 3,800 (planned until 2027, with the tax exemption halved from

Figure 7: Recovery in the Chinese car market continues



Source: CAAM

Figure 8: Electric cars capture market shares in the Chinese car market



Source: CAAM

14 Cf. IEA (2020). The role of critical minerals in clean energy transitions.  
15 Cf. European Commission (2023). European Critical Raw Materials Act.  
16 Cf. IEA (2023). Global EV Outlook 2023. Catching up with climate ambitions.



2026).<sup>17</sup> In principle, the system of direct subsidies is targeted to expire. Instead, the "dual-credit" system mentioned at the beginning of the report should provide incentives for the production of NEV.

### Quite low market share of German group brands for electric cars in China

For many years, German group brands accounted for a fairly high market share of around 20% of passenger car sales in China. The share was particularly high in 2019 and 2020 (24.7% and 24.5%). In 2021 and 2022, however, it declined to 20.5% and 19%, respectively. Among other things, this is likely due to the fact that German manufacturers were affected more heavily by the shortage of upstream products (e.g., semiconductors) than local competitors and that Chinese manufacturers occupy the volume segment to a greater extent.

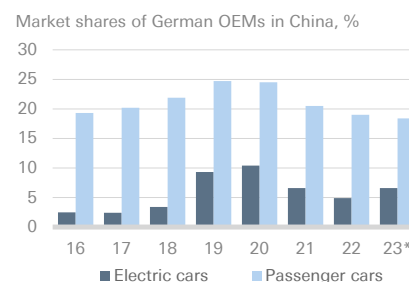
Compared with the market as a whole, German manufacturers are underrepresented in the fast-growing electric car segment. This also depresses the market share in the overall passenger car market. German manufacturers accounted for 6.6% of sales of electric cars in China in 2021 (unweighted averages of monthly figures). This fell to 4.9% in 2022. In the first four months of 2023, the market share of German OEMs stood at 6.6%. One reason for the low market share is the higher average price for new electric cars from German manufacturers, while Chinese manufacturers offer much cheaper electric cars.<sup>18</sup> Chinese manufacturers, together with the US carmaker Tesla, currently account for more than three quarters of electric car sales.<sup>19</sup>

### Quality instead of quantity – tough competition in the volume segment

German automakers are likely to continue to strive above all to protect or expand their market share in China in the higher-priced vehicle classes. To this end, lean supply chains, the expansion of partnerships with local suppliers and further localization in the Chinese market are envisaged. Joint ventures between German and Chinese carmakers have a long tradition. The establishment of new and the strengthening of existing local research centres should help to take better account of customer needs in the various sub-markets in product development.

It is questionable whether it makes sense for German manufacturers to intensify competition with local suppliers for electric cars in the volume segment. Here, the lead of Chinese manufacturers in terms of economies of scale in production and customer acceptance may already be too great. After all, the average returns on higher-priced cars are generally more lucrative. In recent years, the focus of German manufacturers on high-yield vehicles has already resulted in very respectable earnings (in times of a weak global car economy).

Figure 9: German OEMs remain underrepresented in electric cars



\* January to April  
Source: VDA

17 Cf. The State Council. The People's Republic of China (2023). Tax break extension for NEVs expected to boost consumer demand.

18 Cf. IEA (2023). Global EV Outlook 2023. Catching up with climate ambitions.

19 Cf. CarNewsChina.com (2023). Top-selling cars in Q1 2023 in China – BYD first, Volkswagen second, Tesla tenth.



## US: Sales of light vehicles well below previous highs

Sales of light vehicles (LV; they consist of light trucks and passenger cars) in the US fell by 8% to around 13.8 million vehicles in 2022. Rising interest rates, continuing supply chain disruptions and higher fuel prices were among the factors responsible for this. LV sales were already trending down in previous years. Unit LV sales in 2022 were 21% below the previous record level of 2016. The COVID-19 pandemic caused a significant slump in 2020, from which the US market has not yet recovered.

The trend toward an increasing share of light trucks in the overall US car market is continuing, while passenger cars are steadily losing importance: Whereas in 2012 light trucks and passenger cars each accounted for around half of the total LV market, passenger cars only had a market share of just under 21% in 2022. This is a new low.

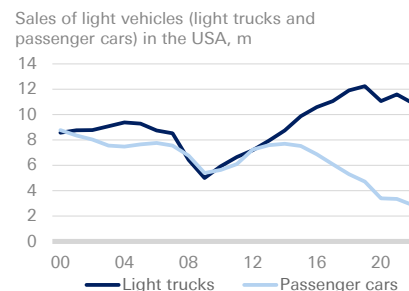
From 2016 to 2022, German manufacturers were able to increase their market share in the overall LV market in the US from 7.6% to 9.2%. The low market share compared to Europe and China is due to the fact that German manufacturers offer fewer vehicles in the light truck segment, which dominates the US market, than in the passenger car segment. In the first four months of 2023, the market share of German OEMs fell to 8.6%.

## Electromobility still in a niche, but regulation improves framework conditions

For a long time, electric cars had a hard time in the US. The exception is California, where electric cars are more strongly promoted and the charging infrastructure is quite well developed.<sup>20</sup> As recently as 2020, the share of electric cars in total LV sales was only 2.6%. Of that, California accounted for 50% of sales. Since then, however, electric cars have been on the rise, reaching 4.1% market share in 2021 and 6.7% in 2022. BEV dominated last year, accounting for 79% of all electric cars. The upward trend continued at the beginning of the year. In the first four months of the year, electric cars achieved a good 8% share of total LV sales. Still, most electric cars are sold in California (share of total US electric car sales Q1 2023: 43%). Arizona, Washington, and Oregon are also seeing increases.

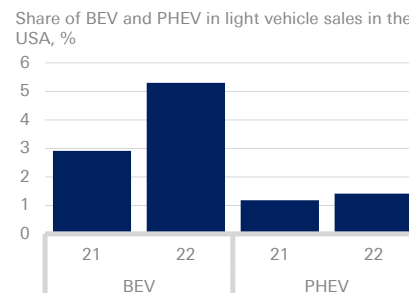
In August 2022, the US unveiled the Inflation Reduction Act (IRA), which is a program to promote the production and sales of climate-friendly technologies in the US. Under the IRA, the maximum tax credit of USD 7,500 per electric car is to apply until the end of 2032. As noted above, subsidies will no longer be limited to a maximum of 200,000 electric cars sold per manufacturer. The IRA additionally sets tax incentives for electric car and battery production in the United States. In addition, the IRA changes the incentives for the purchase of electric vehicles to the extent that benefits are now also provided for used electric vehicles. According to the IRA, a tax credit of 30% of the sales price (max. USD 4,000 with a sales price of highest USD 25,000 and minimum age of 2 years) now also applies to used electric vehicles. Furthermore, the new manufacturing, materials, and component requirements that apply to new electric cars with the IRA do not apply to used electric vehicles.<sup>21</sup>

Figure 10: Passenger car segment becomes less relevant in the US



Source: Bureau of Economic Analysis

Figure 11: BEV expand market shares



Source: VDA

20 Cf. IEA (2023). Global EV Outlook 2023. Catching up with climate ambitions.

21 Cf. 117<sup>th</sup> Congress (2022). Inflation Reduction Act.





## German group brands quite successful with electric cars in the US

German brands account for a fairly high share of the US market for electric cars compared with the market as a whole. In the first four months of 2023, they already accounted for 12.4% of all electric cars (unweighted averages of monthly values, LV as the basis for assessment). The advantage here is that German manufacturers are more focused on the passenger car segment, where powertrain electrification plays a greater role than in light trucks. With the IRA, German companies are also likely to expand the production of electric cars in the USA. However, we expect the competitive situation to intensify. If German carmakers focus primarily on premium electric cars, they could lose market share in the overall market in unit terms but should do better than the competition in terms of return per vehicle. One factor of uncertainty for competition in the US market for electric cars is the extent to which Chinese suppliers will seek or gain access to this market in the coming years.

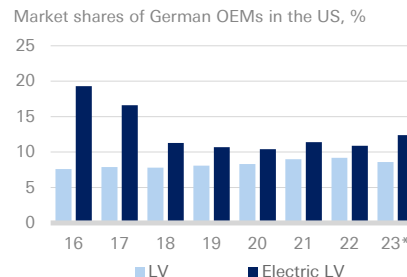
## Final remarks: Subsidy regime remains important, competition becomes more intense, German manufacturers mainly focused on premium segment

The varying dynamics in the ramp-up of electromobility in individual car markets and the shifts in market share between BEV and PHEV show that the political framework conditions (direct and indirect subsidies for electric vehicles or burdens on vehicles with internal combustion engines) and the expansion of the charging infrastructure continue to be of enormous importance for customer acceptance. This will remain the case for the time being, although the price competitiveness of electric cars compared to gasoline and diesel cars is likely to improve. In addition, technological progress (longer range, shorter charging times) will make demand for electric vehicles less dependent on subsidies.

German group brands are enjoying varying degrees of success in the field of e-mobility in the major automotive markets. In Europe, their market share for electric cars is currently slightly below that for all new passenger car registrations. In the US, German manufacturers have a larger share of the electric car market than in the overall market. In China, however, German manufacturers are noticeably behind domestic suppliers and Tesla. In all markets, competition in the field of e-mobility will continue to increase. Chinese car brands in particular could also become new competitors in the volume segment in Europe in the future. Market shares refer to unit sales. If German group brands focus primarily on the premium segment and tend to withdraw from the volume segment, this could mean a shrinking market share with a decent return per vehicle.

The overall picture also includes the fact that electromobility still does not play a major role in many countries with lower incomes. In countries with electricity shortages or with a high local supply of (conventional) biofuels (e.g., India, ASEAN countries, Brazil, large parts of Africa), a massive switch to battery-electric mobility is not to be expected for the time being, even though some countries have started to support electric cars. There, sales of cars with internal combustion engines will likely continue to dominate in the coming years, even if sales of electric cars are likely to grow faster.<sup>22</sup> So, in a sense, carmakers will have to adopt a two-pronged strategy. But even in the EU, where only zero-emission new cars will be allowed to be sold from 2035, the share of electric cars is still low in many eastern and southern European countries.

Figure 12: German OEMs well-positioned in the US electric car market



\* Electric LV: January to April; LV: January to May  
Source: VDA

22 Cf. IEA (2023). Global EV outlook 2023. Catching up with climate ambitions.



We would like to thank Jule Mau for her valuable contribution.



# Appendix 1

## Important Disclosures

### \*Other information available upon request

\*Prices are current as of the end of the previous trading session unless otherwise indicated and are sourced from local exchanges via Reuters, Bloomberg and other vendors. Other information is sourced from Deutsche Bank, subject companies, and other sources. For further information regarding disclosures relevant to Deutsche Bank Research, please visit our global disclosure look-up page on our website at <https://research.db.com/Research/Disclosures/FICCDisclosures>. Aside from within this report, important risk and conflict disclosures can also be found at <https://research.db.com/Research/Disclosures/Disclaimer>. Investors are strongly encouraged to review this information before investing.

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