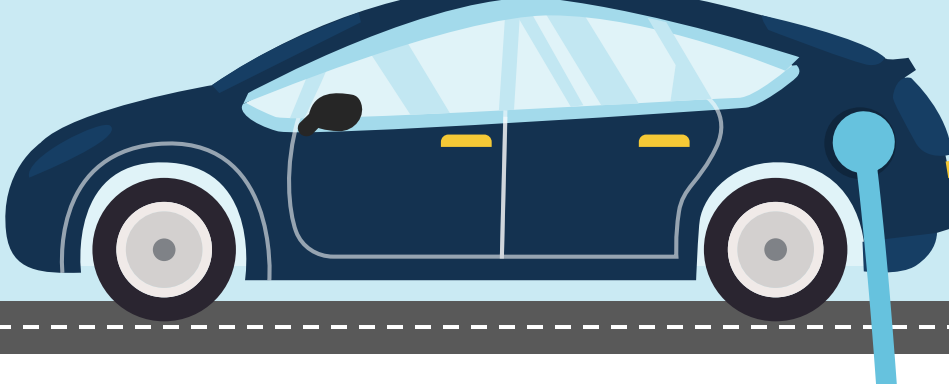


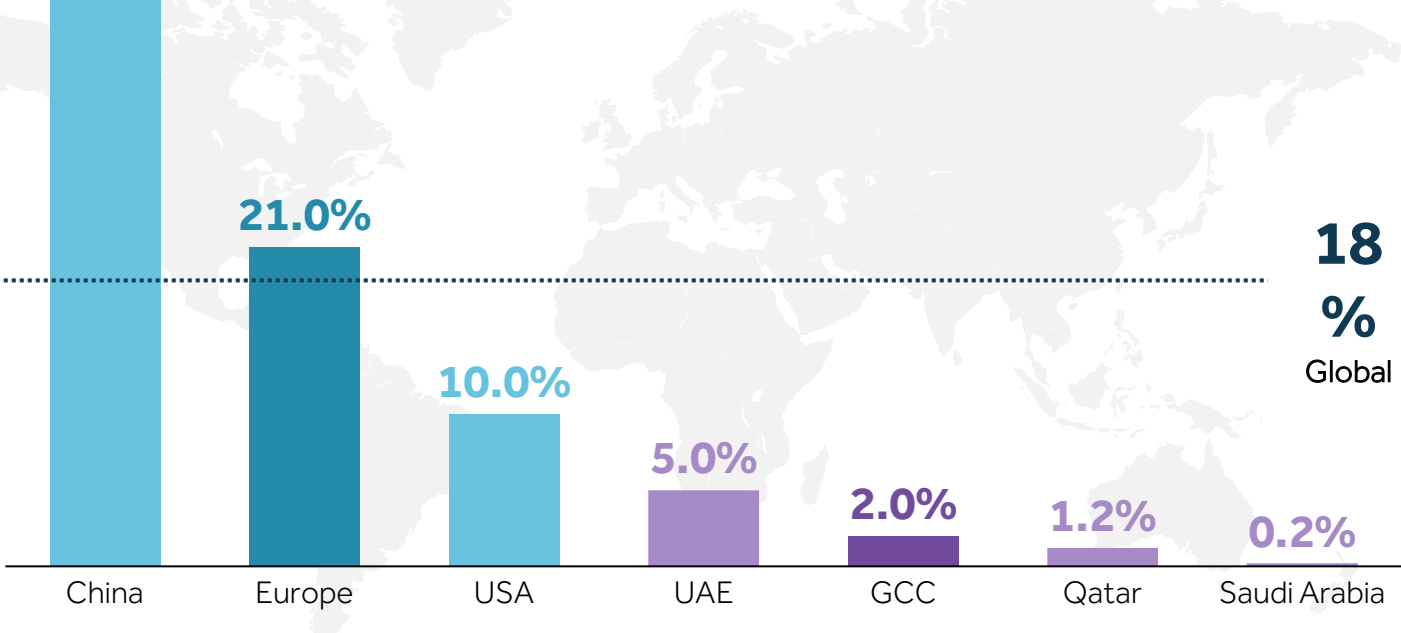
The Shift to Electric: GCC's Path to Enhanced EV Adoption



Electric vehicles (EVs) are transforming the automotive landscape worldwide, driven by a surge in consumer demand, technological advancements, and supportive government policies aimed at reducing carbon emissions. In 2023, global EV sales reached a new high of 14 Mn, accounting for 18% of total vehicle sales as compared to 14% in 2022, underscoring the rapid shift towards more sustainable transportation solutions

Despite the global momentum, the pace of EV adoption in the GCC has been slower with EV sales accounting for 2% of total vehicle sales globally. However, recently there has been an uptick in momentum, driven by government-led initiatives and strategic plans

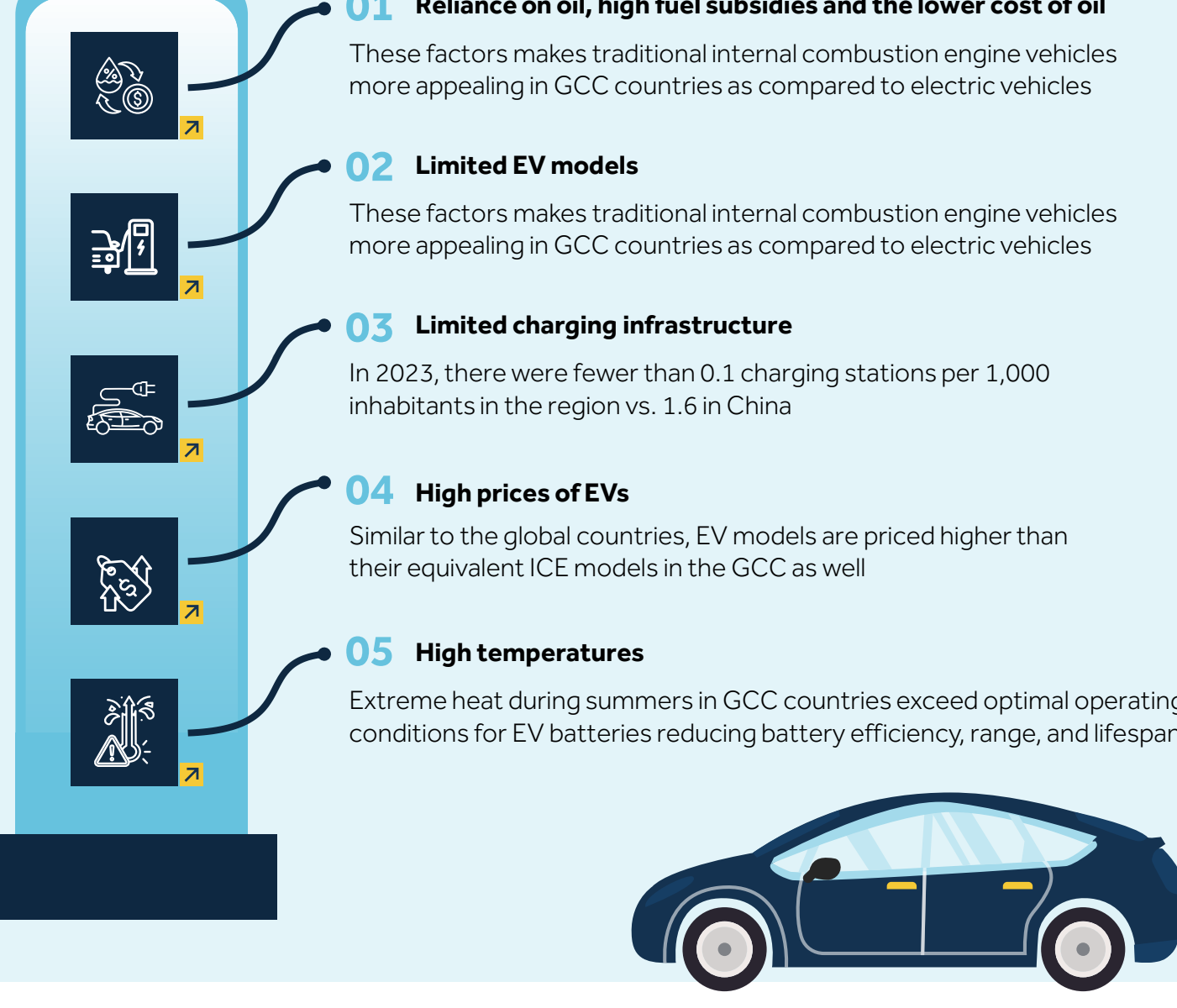
EV Sales as percentage of total sales in 2023



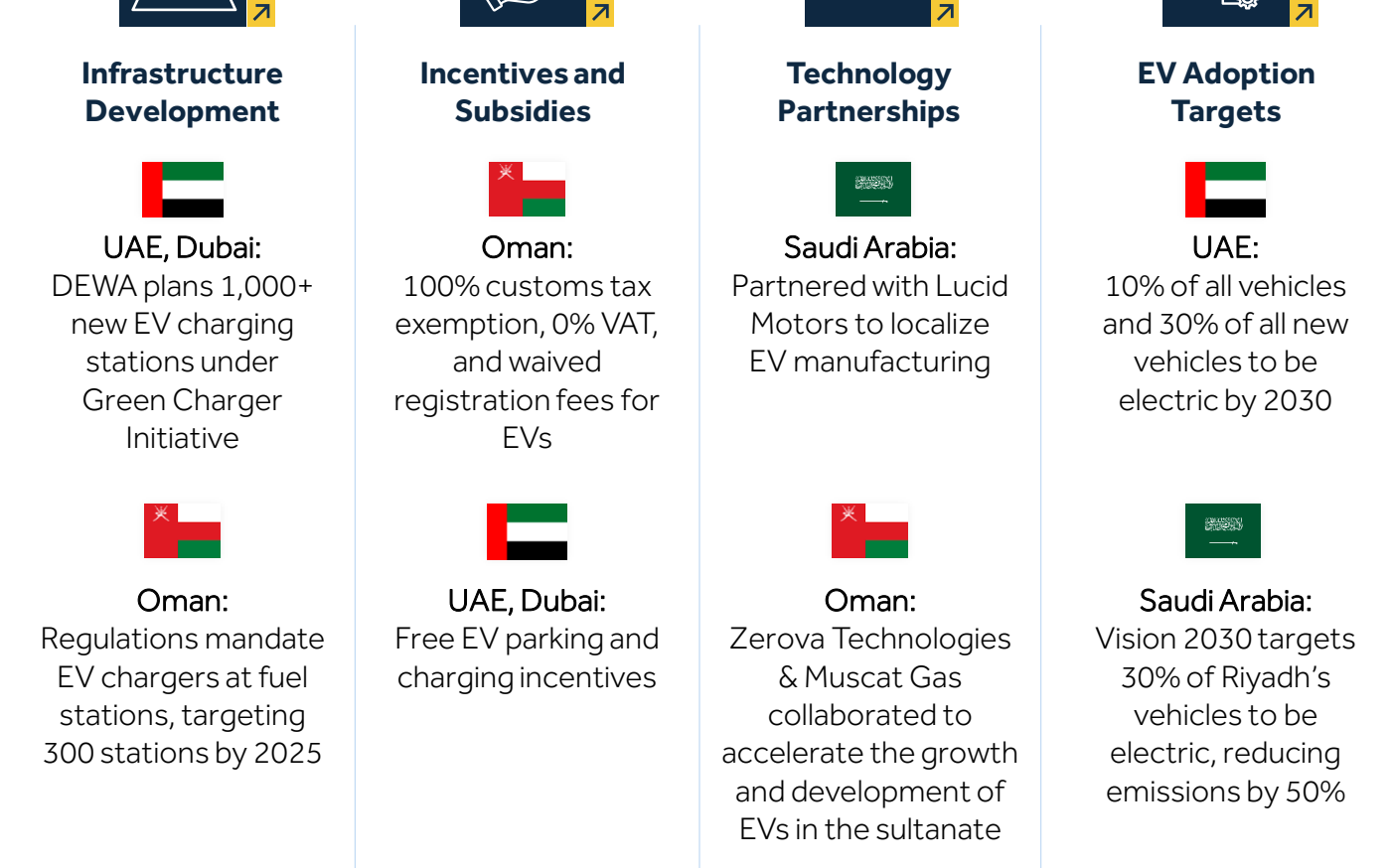
Sources: IEA, Roland Berger

China leads the global EV market, with EVs making up 38% of its total vehicle sales and accounting for 60% of all EVs sold worldwide in 2023. In the GCC, the UAE stands out as the regional leader, achieving a 5% EV sales penetration in 2023. However, this figure remains significantly below global benchmarks, highlighting the region's slow pace of adoption

The slower adoption of EVs can be attributed to various reasons including:

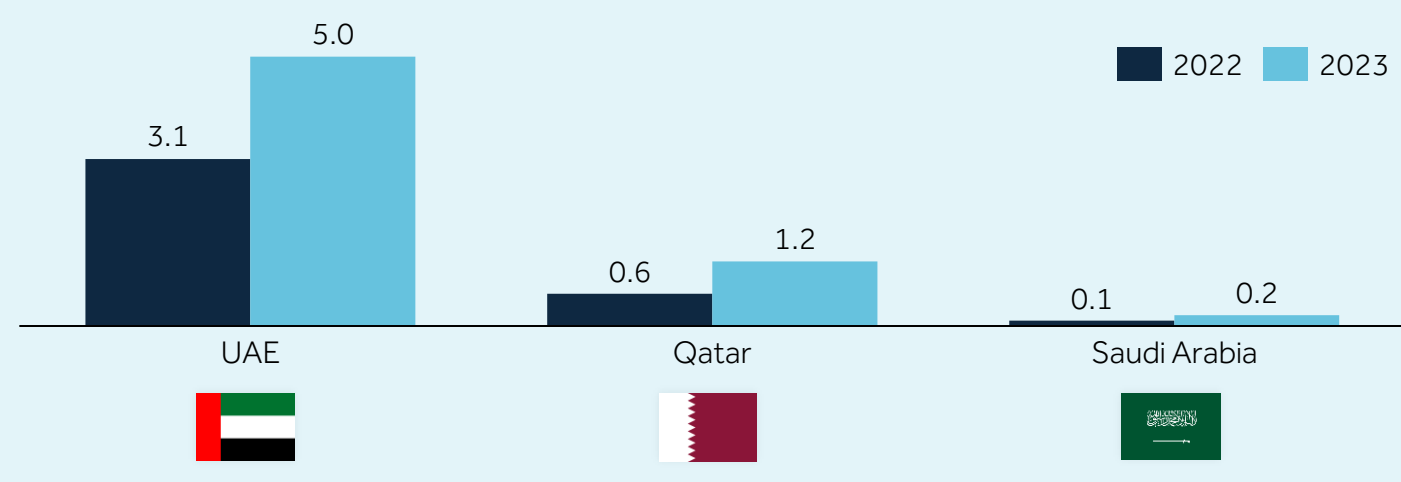


Countries in the GCC are taking several steps to increase EV adoption in their regions



As a result of strategic initiatives and plans developed by the countries in the region, recently, there has been a notable increase in EV penetration rates, with UAE playing a leading role

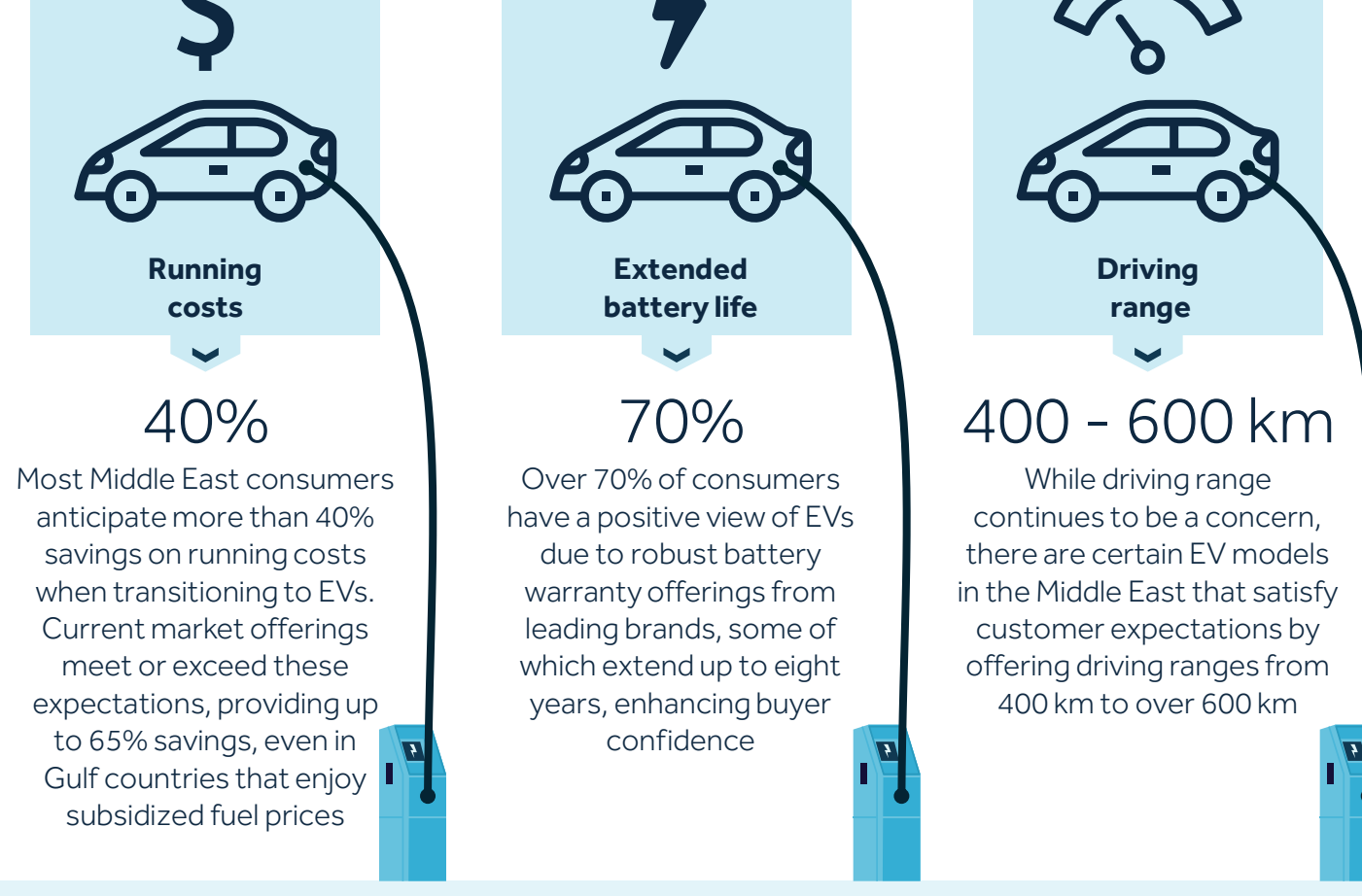
EV Adoption Rate for 2022 and 2023



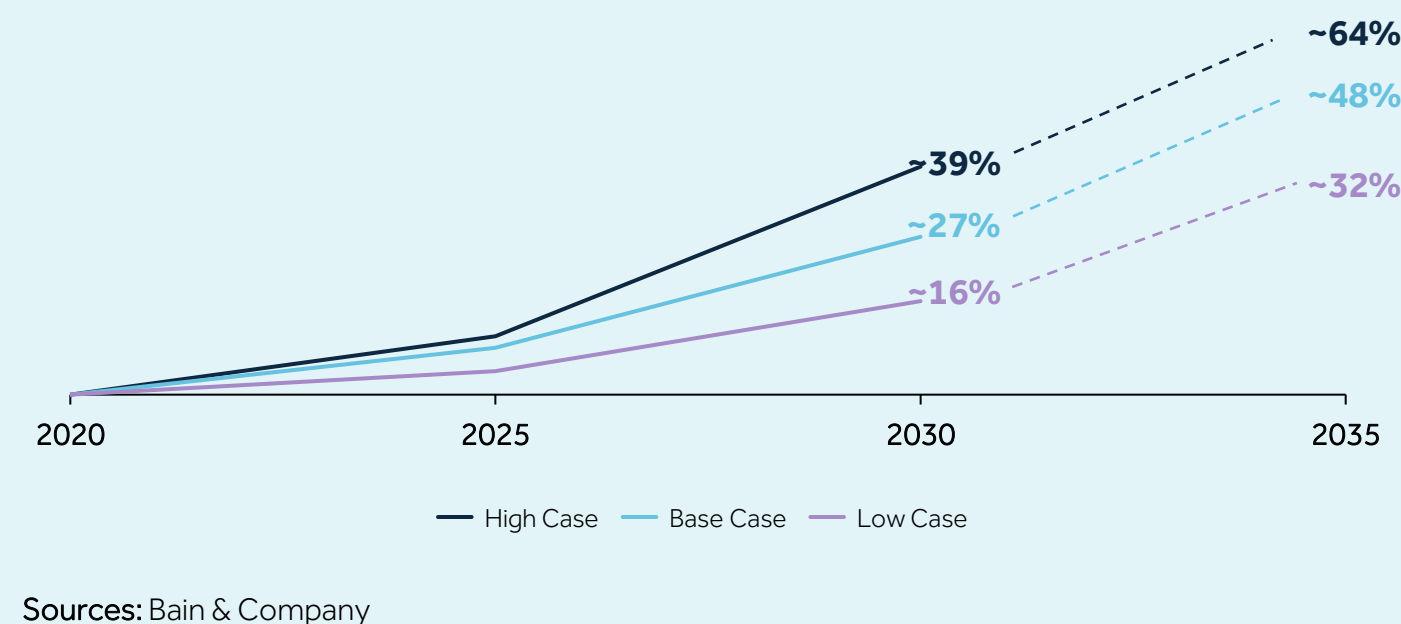
Sources: Roland Berger

In 2023, the EV sales penetration in the GCC region climbed to 2% from 1% in 2022. The UAE led this increase, with its EV penetration rate reaching 5% in 2023, up from 3% in the previous year

According to a consumer survey by Bain & Company, following are the key factors that will continue to influence consumers to choose electric vehicles (EVs) as their next mode of transportation



With governments in the Middle East intensifying their efforts to accelerate EV adoption, and consumer preferences gradually shifting towards electric vehicles, the EV sales could represent as much as 64% of new car sales in the region by 2035



Sources: Bain & Company

References

- International Energy Agency (2024)
- Bain & Company (2024)
- PwC (2024)
- Zawya (2024)
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- PIF (2023)
- DEWA (2023)
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