



EV Uptake in Eastern Europe Lagging Behind the Rest of the Continent

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- While it is true that many targets and policies supporting the transition away from ICEs are coming out of Europe, the rate of electrification is certainly not homogenous across Europe, with Eastern Europe lagging behind.
- An opportunity to accelerate EV adoption in the region may be unearthed by encouraging growth in the second-hand EV market.
- The majority of governments in Eastern Europe showed very minimal support towards electrification, thereby discouraging EV-adoption.

In order to curtail greenhouse gas (GHG) emissions from internal combustion engine (ICE) vehicles, the adoption of electric vehicles (EV) has seen a surge in recent times. This is especially true in Europe, where many countries have accelerated their transition to net-zero emissions by announcing goals to ban ICEs. Norway is one of these countries, having announced a ban on all passenger ICE vehicles by 2025, but projections show that the goal may be achieved as early as 2023. Another country on this list is the UK, which has committed to banning all ICE vehicles by 2035. Recently, the EU also decided to ban ICE vehicles by 2035.

While it is true that many targets and policies supporting the transition away from ICEs are coming out of Europe, the rate of electrification is certainly not homogenous across Europe. In fact, Eastern Europe is one region that is lagging behind the EV uptake in the continent.

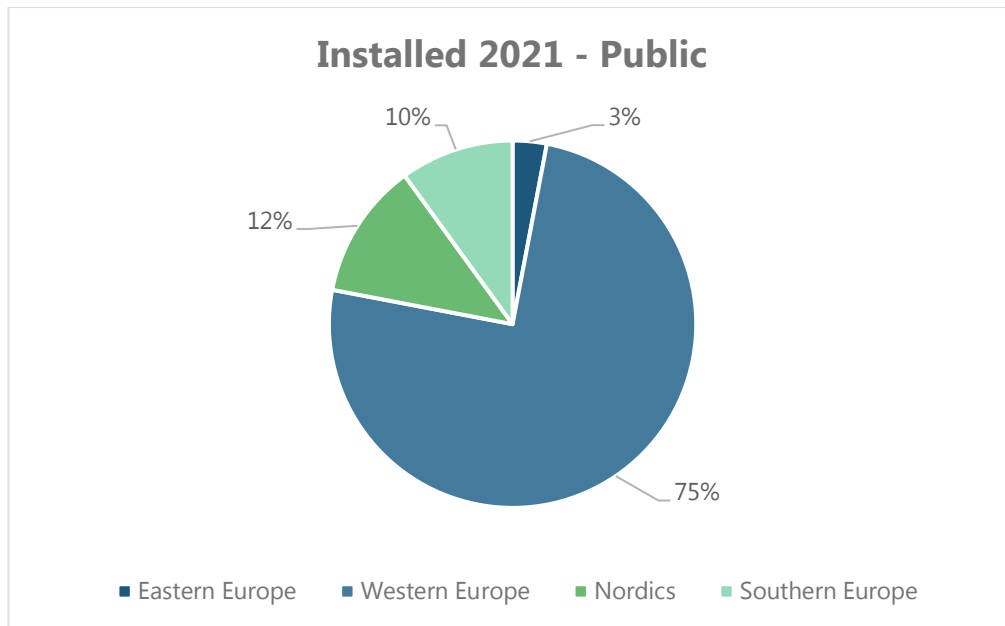


Figure 1: The distribution of public EV chargers in Europe, 2021.

Reasons Why Eastern Europe Lags Behind

Several reasons highlight why Eastern Europe has failed to keep up with the rate of electrification, as seen in the rest of Europe. These reasons are discussed below.

The Second-hand Car Market

A look into Eastern Europe depicts how residents in the region lack the resourcefulness to purchase a new car. Poland, one of Eastern Europe's main countries, is considered the hub of the European second-hand car market. Therefore, buying new electric vehicles is a stretch for such buyers. However, an opportunity to accelerate EV adoption in the region may be unearthed by encouraging growth in the second-hand EV market. When drivers in Western Europe and the Nordic countries were purchasing their first EVs in previous years, there had been no market for second-hand EVs. Since then, with the EV market reaching a tipping point in various Western European countries, there is a growing market for second-hand EVs. These second-hand EVs may be used to induce Eastern European countries into accelerated electrification.

Lack of Favorable Government Policies

Every industry has a main driver that leads to its mass adoption. In that vein, the EV and EV charging industry requires incentives and grants for the automotive industry as well as for the buyers of EVs and EV chargers in order to support electrification on a large-scale. EV uptake in the U.S., for example, is supported by the Bipartisan Infrastructure Law, which aims to build a national network of 500,000 EV chargers, supported by USD 7.5b in funding. Unfortunately, however, the majority of governments in Eastern Europe showed very minimal support towards electrification, thereby discouraging EV-adoption. Only recently has the Polish government dedicated PLN 1b (approximately USD 200,000) for the upgradation of grid infrastructure, in preparation for EV

charging infrastructure. This is an encouraging trajectory, and it is hoped that more investments like this will power Eastern European countries towards EV adoption on a mass scale.

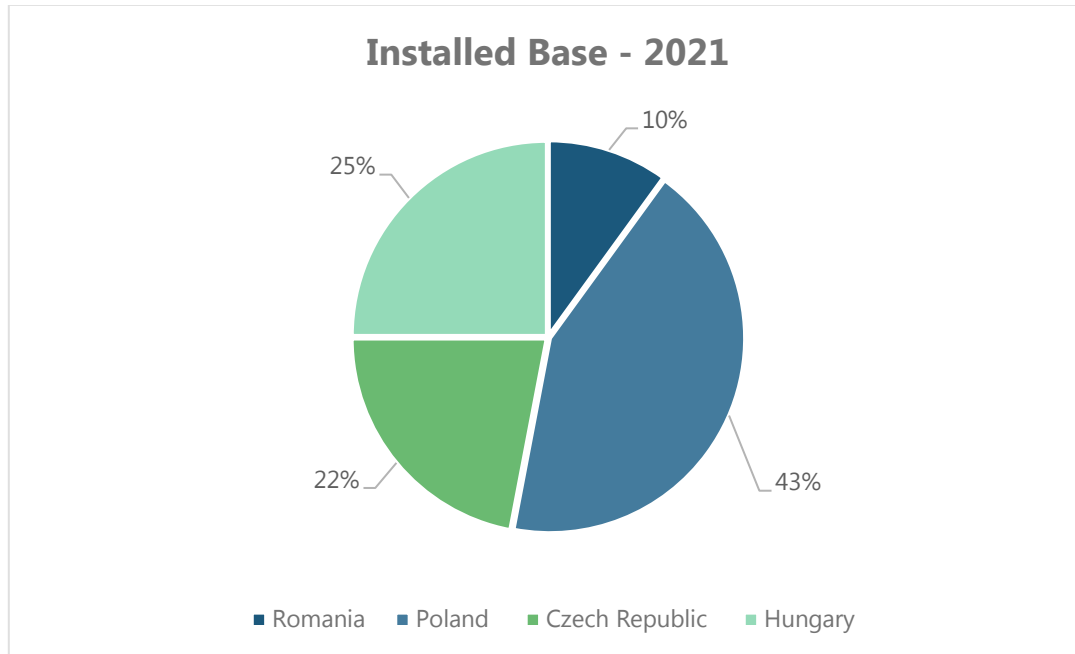


Figure 2: The installed base of EVs in Eastern European Countries, 2021.

Looking Ahead

Although Eastern Europe has lagged behind other European countries with regard to its EV uptake, there is potential for growth and the eventual mass adoption of EVs in the region. Stricter directives and regulations on a pan-European level, coupled with sustained efforts by individual governments and private entities to fund electrification, will make it possible for EV uptake in Eastern Europe to take-off.

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