



Market Report

A Snapshot of your Market Sector

Electric Vehicles & EV Charging

This pack has been designed to provide information on setting up a business in the **Electric Vehicles & EV Charging** industry in Scotland, as well as helping to inform the market research section of your business plan. You can find more information on how to write a business plan from the Business Gateway website (www.bgateway.com/businessplan), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **January 2021**. If you find the information contained in this document useful, tell us about it! Send us feedback [here](#); we will use your comments to help improve our service.

What do I need to know about the Electric Vehicles & EV Charging market?

The following summary statistics have been taken from market research reports and reliable resources that the Information Service uses to compile industry information. They should give you an indication of how your industry is faring at present and whether there is demand for your type of business:

- ◆ Mintel expects the hybrid and electric sector to be relatively unaffected by the 2020 COVID-19 pandemic and the Brexit agreement reached between the UK and EU in December 2020. New car sales are forecast to **increase from 187,869 units in 2019** to an estimated **273,500 units in 2020** while over the same period total new car sales are forecast to fall from 2.35 million to 1.57 million. Beyond 2020, sales are set to continue to grow as the sector benefits from the launch of new hybrid and electric models. New volumes are forecast to **surpass 0.5 million (570,000) by 2022** and approach **1.2 million (1.18 million) by 2025**. (Mintel, *Electric and Hybrid Cars: Inc Impact of COVID-19 - UK*, December 2020).
- ◆ Hybrid technologies are placed second behind **petrol (71%)** as the fuel type with the greatest interest from buyers. **Plug-in hybrid technologies are third (39%)** while cars powered solely by an **electric battery are fifth (36%)**, although there is increasing interest within city residents for this alternative. (Mintel, *Car Purchasing Process - UK*, March 2020).
- ◆ AC charging stations was the largest segment of the EV charging station market in Europe in 2019. In 2019, the **UK ranked fourth in Europe** in terms of the adoption of EV charging stations. Key vendors in the market are ABB Ltd, ChargePoint Inc., EVgo Services LLC, Leviton Manufacturing Co. Inc., Schneider Electric SE, Siemens AG, Tesla Inc., and Webasto SE. The **global EV charging station market was valued at \$61533.33m** in 2019 and is expected to **grow to \$26 149.34m by 2024**. (Technavio, *Global Electric Vehicle (EV) Charging Station Market, 2020-2024*).
- ◆ Industry revenue is forecast to **decline in 2020-21** as factories operate at reduced capacity due to social distancing measures. According to the Society of Motor Manufacturers and Traders, UK car production fell to its lowest level since World War II in April 2020, **down 99.7%** compared with April 2019. At present, **AFVs account for less than 10% of UK car registrations**, which leaves significant room for growth. Despite recent challenges, industry revenue is forecast to **expand** at a compound annual **rate of 9.5%** to reach **£12.6 billion** over the five years through **2024-25**. (IBISWorld, *Alternately Fuelled Vehicle Manufacturing in the UK*, December 2019 inc. COVID-19 update).
- ◆ The national organisation for this industry is the [Society of Motor Manufacturers and Traders](http://www.smmt.co.uk) (www.smmt.co.uk). Other industry bodies include [UK Electric Vehicle Supply Equipment Association](http://www.ukevse.org.uk) (www.ukevse.org.uk), [Renewable Energy Association](http://www.r-e-a.net) (www.r-e-a.net) and [ChargePlaceScotland](http://www.chargeplacescotland.org) (www.chargeplacescotland.org).



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Where can I find more information on my market?

The Information Service has access to a number of databases which can offer more detail on this industry. Some of these reports are listed below - if you would like to be sent extracts from any of these reports, please contact us on **0300 013 4753** or email info@bgateway.com.

- ◆ **Mintel - *Electric & Hybrid Cars: Inc Impact of COVID-19 - UK (December 2020)***. The UK Government announced in November 2020 that the date for a ban on the sale of new petrol and diesel cars has been brought forward - instead of 2040, the phase-out date for these vehicles is now 2030 with hybrid cars set to be outlawed by 2035. The UK hybrid and electric car market is currently dominated by a small number of companies despite increased activity from new entrants into the sector. In terms of licensed cars, the Nissan-Renault-Mitsubishi Alliance (NRMA) accounted for 32.1% of the market as of Q2 2020 followed by BMW group (22.6%), Tesla (11.4%) and VW Group (10.5%).
- ◆ **Mintel – *Car Purchasing Process - UK (March 2020)***. Car ownership amongst UK adults was 74% in November 2019 – up from 67% in 2015. In consumer purchase decisions, costs are a significant variable when considering an electric car. Purchase price (63%), costs to charge (49%) and maintenance costs (46%) are all significant, with only the practicality of using an EV such as distance between charging (54%) and accessing public charging points (47%) also scoring highly.
- ◆ **Technavio - *EV Charging Station Market in Europe (2020-2024)***. In 2019, more than 60% of the power for charging stations in Europe is sourced through conventional power sources, such as fossil fuel and nuclear plants. This will lead to environmental concerns when it comes to the installation of EV charging stations in Europe during the next five year period.
- ◆ **IBISWorld – *Alternatively Fuelled Vehicle Manufacturing in the UK (December 2019)***. On 23 June 2020, the government pledged £73.5 million to develop green technologies for AFVs and their parts, including recyclable batteries, advanced electrical systems and ultra-lightweight components, and to safeguard jobs. The funding will contribute to the automotive sector's recovery from the coronavirus pandemic and has been deemed essential to meeting the target of reaching net zero emissions in the United Kingdom by 2050.

There are also a number of online resources you may find helpful:

- ◆ **Greener Scotland** has a wealth of information on electric vehicles, including an interactive map of free charging points (tinyurl.com/y3n7tpk6) and information on grants and funding opportunities for consumers (tinyurl.com/yxc8acdq), although these may change in the period following the COVID-19 pandemic.
- ◆ **The RAC Foundation** report on the UK Public Chargepoint Network contains key statistics and information on the types of EV and EV charging being used, infrastructure requirements and current legislation in this industry (*Development of the UK Public Chargepoint Network*, December 2018) (tinyurl.com/ybyxx7xd).
- ◆ **The Energy Saving Trust** offers information about electric vehicles and links to maps of charge points in UK and Scotland, including a summary of the difference between types of EV. (tinyurl.com/yxrgmhyh).

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How can I find out about my competitors?

Business Gateway's online guide to [Competitor Analysis](#) explains how to find your competitors, how to research what they're doing and how to act on what you learn about them.

Immediate competition will be from other businesses in your local area. There are several online directories which can be used to find company information and generate lists easily and at no expense. Many Local Authorities also publish local business directories on the web. Below are some key web resources:

- ◆ General business directories such as [Yell](#) ,[Thomson Local](#) or [Google Maps](#)
- ◆ Trade specialists like [EuroPages](#) (European directory), [The Wholesaler](#) or [Free Index](#)
- ◆ Business to business (B2B) specialists such as [Kompass](#)

Likewise, your local Chamber of Commerce may publish a members' directory; find your local Chamber on the [Scottish Chambers](#) website.

Once you've identified who your competitors are, the next step is to gather information on the way they do business. Which services do they provide? How do they market themselves? How much do they charge?

To learn about your competitors:

- ◆ Look for articles or adverts in local newspapers, trade press and directories.
- ◆ Try to read their marketing material; if the company has an online presence, visit the company's website as a first port of call. Not only does it give you a better understanding of the company's activities, it can also offer a wealth of information such as a company history or staff biographies, as well as the company's partners or suppliers
- ◆ Search for information on limited UK companies via the [Companies House](#) website
- ◆ Gain an insight into your competitor's performance using credit checks and the accounts that limited companies are required to submit to Companies House each year.

We can provide credit checks free of charge; if you are interested in using this resource, or looking for us to help you find relevant publications, please contact us by emailing info@bgateway.com or by calling **0300 013 4753**



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What about suppliers?

[Choosing and Managing Suppliers](#) can help you decide what you need from a supplier, how to identify one and how to choose one to deal with.

Trade associations or industry specific organisations may also be able to recommend suppliers or contacts. You can also use the aforementioned resources for finding competitors to find suppliers.

Once you have decided on a supplier, we can run a credit check on the company to help assess their financial stability. We provide credit checks free of charge; if you are interested in using the resource please info@bgateway.com or by calling **0300 013 4753**.

Who are my customers?

Your business plan should include information about the customers you would expect. Business Gateway's guides on [Market and customer research](#) will help you to identify new trends, opportunities, customers and competitors.

It can be useful to group your customers by geographical location, age or lifestyle. The websites listed below are freely available and can provide most of this information. If you can't find what you're looking for from these website, please contact us and one of the team will be happy to help:

- ◆ Access the latest population estimates from the [National Records of Scotland \(NRS\)](#). NRS also offers demographic factsheets for each council area in Scotland, which can provide summary statistics for the area you will be based in.
- ◆ Information from the most recent census in 2011 is released via the official website. See in particular the [Census Area Profiles](#). Clicking on your area of interest will give the latest population figures, including estimates by age.
- ◆ [Understanding Scottish Places](#) has interactive profiles of towns and cities across Scotland. It can be useful for understanding the interrelationships and flows between towns, and also gives comparisons between two or more places.
- ◆ [Scottish Government Statistics](#) provide accurate and up-to-date statistics on Scotland, covering population, health, education and housing.
- ◆ [The Scottish Household Survey](#) provides information on the structure, characteristics, attitudes and behaviour of Scottish households, both at a national and local level.
- ◆ [Office for National Statistics \(ONS\)](#) is the recognised national statistical body for the UK. ONS covers a wide range of demographic, economic and social issues at a UK level.

How can you help me with other aspects of starting my business?

The Business Gateway website has guides, videos, online tutorials and tips on all aspects of starting up a business in Scotland. Follow the links below to explore each resource:

Accountancy

Institute of Chartered Accountants of Scotland's (ICAS) "[Find a Chartered Accountant](#)" tool

Funding

[Practical information](#) on finance and funding for starting and growing your business

Insurance

[Business insurance guide](#)

Legal Help

Gov.uk "[Licence Finder](#)" tool

Law Society of Scotland's "[Find a Solicitor](#)" tool

Pricing

Business Companion [Pricing & payment guide](#).

Please note: the most effective way to research pricing is to conduct your own research – visit wholesalers or suppliers to obtain price lists, find quotes from similar companies and work out what other businesses in your area are charging

Promotion

[BG guides to Marketing](#)

Training

[Skills Development Scotland's My World of Work](#)

[Funding for training](#)

[Small Business Bonus Scheme \(Scotland\)](#)

Your local Business Gateway can offer events, workshops and 1:2:1 support on all aspects of starting and developing your business. Call the helpline on **0300 013 4753** to find out what is available in your area.

We hope you find this Market Report useful and we'd love to hear your feedback [here](#).

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You must not rely on the information in the report as an alternative to advice from an appropriately qualified professional. If you have any specific questions speak to your Business Gateway Advisor or consult an appropriately qualified professional.

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