

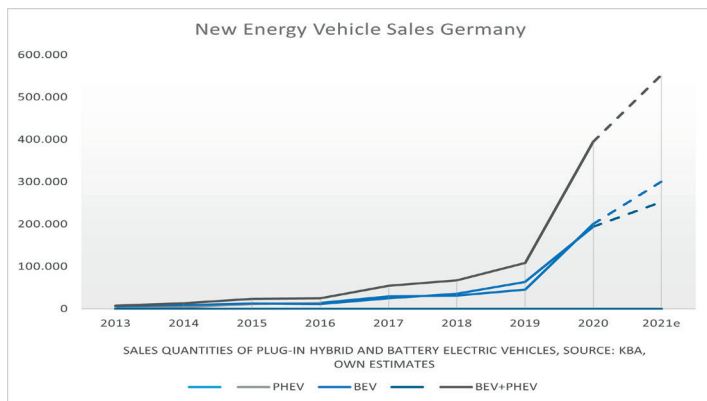


New Energy Vehicles

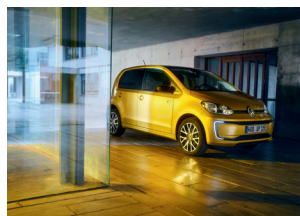
German Market is Finally Taking Off

Picking up Speed

Over many years the German automotive industry was becoming ever more successful. New Energy Vehicles were belittled as an expensive hobby for environmental enthusiasts. The budding market for electric cars was ignored more or less completely until 2015 when the “Dieselgate” scandal demonstrated the limits of the conventional internal combustion engine. The scandal almost broke Volkswagen, the market leader in Europe, but it served also as a wake-up call. Finally German car makers started to invest seriously into new power train technologies. As a result sales of NEV are finally taking off in Germany. The market volume is expected to be well above half a million vehicles in 2021.



Up to now China is the leading market for NEV worldwide. The growth trajectory is five years ahead of Germany. China is particularly strong in battery electric vehicles whereas Germany is still favouring hybrid drives. However the current market share of NEV in Germany exceeds 20% already compared to China at around 10%. Furthermore the German market is driven by private consumers whereas China is still relying heavily on fleet sales to state-owned companies. Lastly, the unit sales figures are somewhat misleading: The most popular models in both countries are mini-cars. However Germany’s bestseller VW e-up is around five times more costly than SAIC Wuling’s Hong Guang.



Photographs: SAIC Wuling, Volkswagen AG

Massive Investments

At present the world market for NEV is led by the US-American manufacturer Tesla at a share of 16%. However Germany’s largest car company, Volkswagen AG (13%) is catching up fast and has surpassed already China’s SAIC Wuling (9%). Over the coming five years Volkswagen alone is planning to invest a massive amount of 35 billion Euro in development and production of electric cars. To a large extent the funds will be invested in China. On the other hand CATL, the largest Chinese manufacturer of traction batteries is setting up a huge factory in the German city of Erfurt in order to produce batteries at a capacity of 230 GWh in 2022. Lastly Tesla is building the first European “Giga-factory” in Germany. Starting in late 2021 the plant near the German capital, Berlin is scheduled to turn out up to 500,000 units of Tesla’s model 3 and model Y per year.



Obviously the interdependence of the global car industry is ever more increasing. In order to serve global players such as Tesla, Volkswagen or CATL, suppliers are forced to be present on three continents, and especially in China and Germany.

Are you interested to explore the opportunities of the NEV-industry in Germany for your company? We will be happy to scout the market for you, connect you with potential partners or recruit competent staff. Contact us right away to discuss your specific requirements.



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