

Car Manufacturers Turn to Electrification to Turn the Tide in 2019, with a 28% Growth in Electric Vehicles, Says TrendForce

2019-04-16 [Caroline Chen](#)

Global research institute [TrendForce](#) asserts in its latest [Global Automotive Market Decode for 1Q](#) report that the global automotive market scale is predicted to reach 94.4 million in shipments 2019, a 0.8% decrease compared to 2018. Despite this drop in market scale, car manufacturers are hoping to spur market development by turning to the electric vehicle market. Electric vehicle shipments are predicted to arrive at 5.15 million in 2019, reaching a YoY growth of 28%. YoY growth of new energy vehicles alone (excluding hybrid electric vehicles) is expected to hit 51%.

TrendForce Analyst Caroline Chen points out that the 2019 automotive market was impacted by the US-China trade dispute, causing China and US cars sales in the five major regional markets to slide non-stop. Western Europe and Japan held steady and only experienced marginal drops, while India continued to ride a still-strong wave of economic growth and exhibited positive growth.

Further analysis by Caroline shows that negotiations are still underway amidst the US-China trade dispute, and both sides have declared to lay down punitive tariffs momentarily. Yet the longer the trade-dispute drags on, the more the car market suffers in 2019, and the number of countries impacted will continue to rise. The reason for this is the close relationship between car sales and a country's economy: If consumers become pessimistic about future employment, salary growth and total economy, then doubts and deferred consumption will follow upon considering new car purchases and replacements.

Returning to global car market development: Car makers are proactively carrying out development of electric vehicles and speeding up rollouts of new car models in anticipation of global energy-saving and emission-reducing trends, as well as the policies implemented by various countries. Car makers are leaning towards presenting electric vehicles as a brand new product series with a strategic eye to consolidate their position in the electric vehicle market. Electric vehicle development is further helped by the expansion of cell suppliers' production capacity, continually falling prices and localization of cell production.

Caroline explains that policies will play a major role in influencing electric vehicles development this year. China and the US are both hoping to push towards free market competition for electric vehicles, and have begun to reduce subsidies and raise the bar. Though these acts are sure to cause some disturbances in the car market, it will exert a positive influence and help clear out the riffraff. Other indicators of electric car development is the speed and scale at which charging stations are distributed, grid load and power stability. In consideration of all these factors, we at TrendForce predict that electric vehicle penetration rates will arrive at 5.5% in 2019, and continue to rise up to 13%~15% in 2023.

For more information on the global car market and its development, please refer to TrendForce's newest [Global Automotive Market Decode](#) Report: [_https://www.trendforce.com/Global-Automotive-Market-Decode](https://www.trendforce.com/Global-Automotive-Market-Decode)

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