EV newcomers from China and the U.S.: who's hot and who's not?

03 August 2021 / Theme(s): All articles, New Mobility

The transition to electric mobility is a perfect storm that attracts an unprecedented number of new entrants, especially from China and the United States. These newcomers know they are facing a window of five years to gain a foothold in Europe before the market consolidates. But can they make their mark?

Startups and new EV brands are levering themselves into the growing European EV market on the ground of the following key changes:

- The electric drivetrain is easier to develop and needs less intensive maintenance (though it is more costly).
- Online sales models and flexible leasing are growing rapidly, boosting cost-efficiency.
- In this new market it comes down to partnering with the right company, especially for the battery and the connectivity platform.

Because the lion's share of battery production is in China, most new entrants are operating from there, backed by a strong governmental push for the expansion of the car industry:

1. Lynk & Co:

Electric sub-brand owned by giant Geely, the parent company of Volvo with whom it shares mechanical components and safety know-how. Their 01 SUV is a Chinese sister model of the Volvo XC40 Recharge. Sales are through subscription and occur online. The European connection gives them a headstart.

2. MG:

Revived British brand owned by SAIC, benefits from a well-known nameplate with a focal point on affordability. They embarked early on the European territory with the compact ZS SUV, a model that captured 2% of the electric vehicle market in Europe. Their lower quality perception could be a deal-breaker for customers.

3. Aiways:

A startup company, founded in 2017, but with the world's largest battery maker CATL as one of their investors. Their mid-size Coupe Utility Vehicle U5 has launched at a reasonable price in Europe and will be followed by two bigger SUVs. Sales are through a direct-to-customer process, bypassing dealerships. No backing from a European partner.

4. BYD:

The world's largest manufacturer of electric vehicles started as a battery maker and continues to do so. The company has mainly been distributing buses in Europe, but with the Tang they are now turning to SUVs. Toyota is in a joint venture with BYD for EVs, making a strong tie-up. Slower, but a steady conqueror.

5. Nio:

Startup that makes big waves in China, expecting to launch in Europe within months. The company has several SUVs (ES8, ES6 and EC6) and a high-performance sports car. Plans are to offer the battery pack in a leasing formula for lower entry costs. Already one of the big EV brands, but not profitable.

"The expected gap between supply of and demand for EVs will be significant by 2030"

New names from the United States want to ride on the coattails of Tesla. Not all of them are strictly American companies.

1. Fisker:

A high-risk player, even if they have the famed Henrik Fisker as their founder and designer. The approach is asset-light, with an Ocean SUV built from ecological materials coming in 2023, assembled by Magna in Austria.

2. Seres:

Founded in 2016 in the backyard of Tesla, Silicon Valley. The parent company is Chinese, production sites are in the US and China. They offer a compact and a mid-size SUV in Europe, the 3 and the 5. Getting launched was a struggle and Seres lacks backing from a big car company.

3. Rivian:

Startup of high-end electric pick-ups (R1T) and SUVs (R1S). Have been around as long as Tesla but are not yet available in Europe. The ambition stands firm, as the company also wants to assemble in Europe. Amazon and Ford are investors.

4. Lucid Motors:

Stepped into the EV game more than ten years ago and her current CEO is a former lieutenant to Elon Musk. The primary investors, however, are Chinese and Saudi-Arabian. Their first car, called Air, is scheduled for launch in Europe by 2022. It's a functional and fashionable EV sedan with a ground-breaking range, aiming at performance, luxury, and… the Mercedes EQS.

With the imminent arrival of even more new car brands, the market will be put under price pressure very soon. This will lower the TCO of EVs and accelerate the case for electrifying fleets first on the roadmap towards decarbonisation.

Lower prices, fuel savings, and better monitoring through enhanced connectivity will further facilitate this adoption. But since the expected gap between supply of and demand for EVs will be significant by 2030 not all these new players can turn out to be winners.

If you and your company have questions about the transformation to an zero-emission or electric fleet, we invite you to take contact with ALD Automotive. Our dedicated team is here to support you!

Tags: E-mobility electric vehicles

Related articles

- EV revolution: introducing the comprehensive Electric Vehicle catalogue
- One of the main drivers for electrification today? TCO optimization
- Green bonds to finance green mobility
- Multimobility & how to prepare for future corporate mobility
- Regulatory update: entering the 'money time' for electrification and alternative mobility