STUDY

E-MOBILITY INDEX 2019

Roland Berger – Automotive Competence Center & fka GmbH

November 2019
1. Key takeaways from the 2019 E-mobility Index

> China retains an overall lead in the 2019 E-mobility Index, ahead of the USA. Although Germany is the technological leader, China continues to be the leading country in terms of industry and market (Fig. 2).
> The market shares of BEV and PHEV vehicles are increasing significantly in almost all analyzed markets. China exceeds the five percent mark for the first time.
> The European automotive industry needs to overcome three key challenges to become a leader in electrical powertrains: Strengthen its position in the battery value chain; close the profitability gap between conventional and electric vehicles; and develop complementary zero-emission technologies.

2. Summary comparison of the rankings of the world’s seven leading automotive nations

China no longer shares the overall lead with the USA; rather it has now set itself apart, pushing the USA into second place. Germany improves in the overall ranking and moves up to third place ahead of South Korea (Fig. 1 and Fig. 2). Changes in the competitive positions of the seven leading automotive nations since the last Index are shown in Figure 3. While the industry and market of electric mobility improves constantly in all assessed nations, technology indicators are subject to fluctuations due to changes in the BEV/PHEV ratio, as well as cost/performance ratio of the offered vehicles.

Technology – Germany is the leader

Germany takes the lead from France in terms of technology. German manufacturers (OEMs) are increasingly focusing on the full electrification (battery electric vehicle, or BEV) of compact and small cars, while full electrification of mid-size vehicles and partial electrification (plug-in hybrid electric vehicle, or PHEV) of SUVs continue to progress. Due to lower vehicle weights, this results in an increase in range/battery capacity ratio and thus an improvement in terms of the vehicles compared. Furthermore, the extension of the vehicle portfolio to include compact BEVs leads to improved value for money in the assessed vehicle pool. Slightly increased government subsidies for research and development intensify the battle for leadership of the technology indicator.

China is catching up quickly and ranks second in terms of technology for the first time. Chinese vehicles are improving significantly and becoming safer and more efficient. Due to new Chinese laws and regulations, charging technologies that enable faster charging with direct current (DC) are increasingly being installed in Chinese vehicles. Chinese OEMs continue to focus on a portfolio of low-cost small and mid-range BEVs.

The portfolios of Korean OEMs have changed only marginally compared to the previous Index. However, due to the good price-performance ratio of Korean vehicles, Korea defends its third place in terms of technology. Korean OEMs are less focused on introducing new models, and more on improving technologies. The average range and efficiency of Korean vehicles have increased, with correspondingly slightly higher vehicle prices.

France is not able to defend its first place in terms of technology, instead ranking fourth. A growing offer of PHEVs results in a lower average technological performance among the assessed electrified vehicles. This is mainly due to the fact that plug-in vehicles generally have a smaller
electric range and lower electrical top speed. Given their lower battery capacity, most are also equipped with basic charging technology. France has also reduced its R&D subsidies significantly. Japan drops from fourth to fifth place. As in the previous year, Japanese OEMs are focusing on the expansion of plug-in vehicles. Japanese manufacturers are placing few new all-electric vehicles on the market.

US BEVs are leaders with regard to electric range. However, the portfolios of all American OEMs increasingly include electrified SUVs and a bigger share of PHEVs, which reduces the average technological performance of the vehicles under evaluation. Both German and American vehicles belong in the high-price segment.

Italian OEMs have so far avoided the production of mass-produced BEV and PHEV models. However, it is expected that manufacturers will expand the production of BEV and PHEV models during the period under review, and that Italian electric vehicles will also be available in Europe for the first time.

Government support for research and development in the field of e-mobility is mostly constant in all analyzed markets. France and China have seen a reduction in funding because government R&D programs are being phased-out and reissued with a smaller volume or narrowed scope. For the first time, Germany receives the highest amount of funding as a percentage of the GDP, underscoring its technology leadership. France, on the other hand, has lost out here and ranks fourth (Fig. 5).

Industry – China is number one, followed by the USA

In terms of industry, China and USA share first place in indicator values. However, China leads with absolute higher xEV (BEV and PHEV) as well as cell production. High growth is expected in both countries in the next years. In China, battery cell production in 2017-2022 is expected to increase by more than 1,000% compared to the same period last year (2016-2021). No other nation plans such a large expansion of its domestic cell production, confirming China's leadership in terms of industry. The measurement threshold for national battery cell production was adjusted in the 2019 Index for the first time due to this increasing cell production. The adjustment is necessary to implement an indicator assessment in the value range from 0-5. While in the 2018 Index, the highest rating of 5.0 was awarded for countries that produced at least 75 GWh in the period 2016-2021, this threshold for the period 2017-2022 is set to 250 GWh in 2019. The higher threshold slightly reduces countries' industry values compared to previous editions of the Index.

Japan ranks second in the industry indicator (Fig. 6). Japanese xEV vehicle production increases while the evaluation of the supplier footprint is lower. This is due to the new threshold, as well as the expected cell production increasing only slightly. With the third-largest production volume of xEV and a strong increase in the expected battery cell production, Germany takes third place in terms of industry (Fig. 7). However, the supplier footprint is founded mainly on the activities of Chinese suppliers in Germany. Korea falls behind Germany to fourth place, as expected vehicle production and cell production increase only slightly during the period under consideration. Despite strong growth in vehicle production, France is back in penultimate place. The reason for this is the lack of cell production. Italy is again in last place due to its very small model range. A significant increase in production is not expected until 2022.

Market – China leads the way; only the Japanese market is declining

In terms of market development, sales figures for battery and plug-in hybrid electric vehicles rise significantly in all countries except Japan (Fig. 8) in the period Q3 2018 - Q2 2019. For the first time ever, the share of partially or fully electrified vehicles in all new Chinese registrations exceeded the
five percent mark. Compared to the previous period (2018), Chinese sales are growing at approximately 160 percent.

France, South Korea, the US and Germany exceeded the two percent mark of the xEV sales ratio for the first time. France is ranked second ahead of a strongly growing South Korean market (+189%). USA ranks fourth with an increase in sales share of over 2.3 percent of all newly registered vehicles, ranks fifth.

After stagnation in 2017 and strong growth in 2018, the Japanese market is experiencing another downturn. The number of newly registered EV and PHEV has fallen by 14 percent, corresponding to a market share below 1.0 percent. The e-mobility Index includes only BEVs and PHEVs, while the Japanese market is focused on HEVs (hybrid electric vehicles). Japan is thus in sixth place, ahead only of Italy. Although Italy has growth of 40 percent compared to last year, it still lags far behind the other nations in terms of the absolute number of new registrations and the market share of BEVs and PHEVs.

Figure 3 shows the development of the individual indicators over time.
Fig. 1: China takes sole lead. USA falls back slightly but maintains second place ahead of Germany.

E-mobility Index 2019

Source: fka; Roland Berger

Fig. 2: Germany regains lead in technology from France. China is catching up quickly and moves up to second place; Korea defends third place. China remains the leader in terms of industry and market.

E-mobility Index – Ranking by indicator

Source: fka; Roland Berger
Changes in competitive positions

Fig. 3: Changes in competitive positions of leading automotive nations by indicator

Source: fka; Roland Berger

Fig. 4: High-priced models still important in Germany and the USA. Korea and France lead in terms of value for money. Italy launches series vehicle on the European EV market for first time

Value for money of market-ready BEVs and PHEVs

Value for money

<table>
<thead>
<tr>
<th>Country</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>Expansion of PHEV and FCEV offering resulted in reduced dominance of compact BEVs and a slight reduction in cost effectiveness</td>
</tr>
<tr>
<td>USA</td>
<td>Electrification (esp. PHEV) of SUVs leads to reduced efficiency and cost effectiveness</td>
</tr>
<tr>
<td>France</td>
<td>High-priced vehicles remain relevant</td>
</tr>
<tr>
<td>Japan</td>
<td>Expansion of electrified compact and small vehicles</td>
</tr>
<tr>
<td>Korea</td>
<td>Ongoing trend towards electrification (PHEV) in executive and mid-range segments</td>
</tr>
<tr>
<td>China</td>
<td>Increased technology level due to improved charging technologies</td>
</tr>
<tr>
<td>Germany</td>
<td>Vehicle prices remain low</td>
</tr>
<tr>
<td>Italy</td>
<td>Shift from BEV focused portfolio to expansion of PHEV offering and increase in price level lead to reduced cost effectiveness</td>
</tr>
<tr>
<td>Korea</td>
<td>Continued good cost effectiveness</td>
</tr>
<tr>
<td>France</td>
<td>Expansion of PHEV offering</td>
</tr>
<tr>
<td>Italy</td>
<td>Italy is represented on European market for the first time with EV (Fiat 500e)</td>
</tr>
</tbody>
</table>

Source: fka; Roland Berger
Fig. 5: R&D funding in France is in sharp decline. Japan strongly increases subsidies. Germany, South Korea and USA stable

State R&D funding for e-mobility

<table>
<thead>
<tr>
<th>Country</th>
<th>[EUR m]</th>
<th>[% of GDP]$^1$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>382</td>
<td>0.011</td>
</tr>
<tr>
<td>South Korea</td>
<td>146</td>
<td>0.011</td>
</tr>
<tr>
<td>Japan</td>
<td>106</td>
<td>0.003</td>
</tr>
<tr>
<td>France</td>
<td>43</td>
<td>0.002</td>
</tr>
<tr>
<td>USA</td>
<td>184</td>
<td>0.001</td>
</tr>
<tr>
<td>China</td>
<td>94</td>
<td>0.001</td>
</tr>
<tr>
<td>Italy</td>
<td>0</td>
<td>0.000</td>
</tr>
</tbody>
</table>

$^1$ Subsidies expressed as a proportion of current GDP (2018)

Source: fka; Roland Berger

Fig. 6: China retains a clear lead in EV/PHEV production. Reduced growth in USA but it maintains second place, Germany catches up

Projected EV and PHEV production by 2022 [000 veh.]

<table>
<thead>
<tr>
<th>Country</th>
<th>Projected EV/PHEV production [000 veh.]</th>
<th>Top 3 models per country</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>10,156</td>
<td>Senova EC Series; Chery EQ1; VW Lavida</td>
</tr>
<tr>
<td>USA</td>
<td>2,580</td>
<td>Tesla Model 3; Tesla Model Y; Chrysler Pacifica PHEV</td>
</tr>
<tr>
<td>Germany</td>
<td>2,512</td>
<td>Audi e-tron; Mercedes E-Class PHEV, VW ID3</td>
</tr>
<tr>
<td>Japan</td>
<td>1,685</td>
<td>Nissan Leaf; Toyota Prius PHEV; Mitsubishi Outlander PHEV</td>
</tr>
<tr>
<td>France</td>
<td>1,000</td>
<td>Renault Zoe; Renault Captur PHEV; Peugeot 3008 PHEV</td>
</tr>
<tr>
<td>Korea</td>
<td>881</td>
<td>Hyundai Ioniq; Hyundai Kona; Kia Niro</td>
</tr>
<tr>
<td>Italy</td>
<td>342</td>
<td>Fiat 500e</td>
</tr>
</tbody>
</table>

Source: fka; Roland Berger
Fig. 7: China establishes itself as the frontrunner in battery production. USA moves up to second place

Projected global market share and domestic cell production capacities by 2022

<table>
<thead>
<tr>
<th>Projected global market share, 2022</th>
<th>Domestic cell production, 2017-2022 [GWh]</th>
</tr>
</thead>
<tbody>
<tr>
<td>CATL ~1,030 GWh 17%</td>
<td>China increasing its lead even further</td>
</tr>
<tr>
<td>LG Chem 281 14%</td>
<td>Tesla with a significant lead, followed by</td>
</tr>
<tr>
<td>BYD 159 7%</td>
<td>LG Chem and AESC</td>
</tr>
<tr>
<td>Tesla 158 6%</td>
<td>SGP by LG and SK Innovation</td>
</tr>
<tr>
<td>Samsung 63 5%</td>
<td>LG Chem leads Samsung by some distance</td>
</tr>
<tr>
<td>Farasis 0 4%</td>
<td>ahead of SK Innovation trailing way behind</td>
</tr>
<tr>
<td>Panasonic Sanyo 0 4%</td>
<td>Panasonic is seeing its position as the</td>
</tr>
<tr>
<td></td>
<td>world’s biggest cell producer taken by LG</td>
</tr>
<tr>
<td></td>
<td>Chem and CATL</td>
</tr>
</tbody>
</table>

Source: Benchmark Minerals; Roland Berger

Fig. 8: EV sales growing in all countries except Japan. China retains clear lead in market for electrified vehicles

Change in number of new BEVs and PHEVs registered since 2016 [1,000 veh.]

<table>
<thead>
<tr>
<th>Country</th>
<th>Number of BEV/PHEV registered [1,000 veh.]</th>
<th>EV/PHEV share of total market [%]</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>1,162</td>
<td>5.62</td>
</tr>
<tr>
<td>USA</td>
<td>361</td>
<td>2.18</td>
</tr>
<tr>
<td>Germany</td>
<td>391</td>
<td>2.26</td>
</tr>
<tr>
<td>France</td>
<td>324</td>
<td>2.28</td>
</tr>
<tr>
<td>Japan</td>
<td>375</td>
<td>2.35</td>
</tr>
<tr>
<td>South Korea</td>
<td>144</td>
<td>2.31</td>
</tr>
</tbody>
</table>

Source: fka; Roland Berger
3. Spotlight on the European E-mobility industry

China has dominated the key dimensions for electrifying the automotive powertrain for years, from xEV sales volume to growth of charging infrastructure and production capacity for battery cells. But as Europe approaches its first evaluation point for CO2 emission reductions in 2021, it is time to take stock and review what the European automotive industry must do to catch up.

For example, can the Europeans (and the Americans) make up the ground they have lost to their Asian competitors? And does the current situation of under investment and low market dynamics perhaps even offer new and previously unconsidered opportunities?

The answers are not straightforward. But in this chapter, we discuss three key industry challenges that highlight the multiple issues that need to be addressed if the European automotive industry is to become a leader in electrical powertrains.

3.1 Strengthening Europe’s weak position in the battery value chain

Unsurprisingly, Asian players dominate the global market for battery cell production, both in installed and planned production capacity (Fig. 9). Even most of the existing and planned production capacities in Europe are owned and operated by companies with a non-European origin, like LG Chem in Wrocław (Poland), CATL in Erfurt (Germany) or most recently announced Tesla in Brandenburg (Germany). So, where does this leave European players?

![Fig. 9: Asian players dominate the market for battery cell production, and are even expanding their footprint to Europe](image)

Currently, companies with a European origin play only a minor role along the battery value chain and are not represented at all in cell production. Their overall market share is expected to fall to just ~4% at cell level by 2020 (Fig. 10).

![Installed cell production capacity by region, 2018, 2023, 2028 [GWh]](image)

![Installed cell production capacity by supplier origin](image)

Source: Benchmark Minerals; Roland Berger
Some 70% of cell costs are heavily dependent on material costs, of which cathode active materials are the most important. But the active material market is heavily dominated by Chinese, Korean and Japanese industry players, as is the cell production market.

Northvolt seems to be the most promising European player at the moment. But it is not yet producing cells for automotive applications, and even after SOP will only play a minor role compared to the Giga factories of Asian market leaders such as CATL and LG Chem.

**Conclusion and recommendations**

The battery cell production market is characterized by very high market entry barriers in regards of technology and process know-how. Large scale production facilities also require significant investment.

As a result, European players are unlikely to successfully enter the market on their own or play a significant role in the production of state-of-the-art lithium-ion battery cells. The market is expected to remain heavily dominated by a relatively small number of Asian players.

However, the level of investment required to cover the expected increase in production capacity over the next decade poses a major challenge to the established cell manufacturers (Fig. 11). European OEMs and suppliers with a chemical background should therefore position themselves as investment partners willing to share risks and CAPEX. This will enable them to increase their control over the battery cell value chain.

---

1) Pessimistic NMC811 cell production, material prices forecasted for 2020  
2) Euro per kg of CAM material  
3) Including markup of ~5%, that accounts for efficiency losses between theoretical vs. nominal voltage level

Source: Roland Berger "Total LiB Value Chain Cost Model"
Fig. 11: The investment required to cover the expected increase in battery cell demand over the next decade poses a major challenge

<table>
<thead>
<tr>
<th>EU28 battery cell demand in 2028</th>
<th>Planned investments in EU28 until 2028¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger cars [GWh/a]</td>
<td>Production capacity [GWh/a]</td>
</tr>
<tr>
<td>Commercial vehicles [GWh/a]</td>
<td>CAPEX [EUR bn]</td>
</tr>
<tr>
<td>59</td>
<td>311</td>
</tr>
<tr>
<td>285</td>
<td>16.1</td>
</tr>
</tbody>
</table>

¹) Neglecting existing production capacities. Assuming prismatic NCM811 battery cells for CAPEX assessment.

Source: Research; Expert interviews; Roland Berger "LiB Market Model"

3.2 Closing the profitability gap between battery electric and combustion engine vehicles

Under current business models, BEVs are not as profitable as conventional, internal-combustion engine (ICE) vehicles as customers are unwilling to pay a price premium for them. Despite this, OEMs are artificially limiting the price difference between the two types to boost BEV sales, even though it means sacrificing margin to avoid fleet emission penalty fees (Fig. 12).

To ensure profitability, OEMs and battery suppliers need to focus on closing the profit gap between ICE and BEV. But OEMs are caught in a price-cost trap: their current profitability, and that of cell suppliers, is not sufficient to raise the cash needed to finance the expected growth of electric vehicles. Instead, new business models are needed.
Integrated value chain approaches, in particular the battery-as-a-service (BaaS) concept, show the potential to close the profit gap. BaaS uses a circular economy model to maximize asset utilization, connecting the transport and energy sector (Fig. 13 and 14).

An integrated value chain starts by offering customers battery leasing to reduce their upfront costs and tap into expenditure previously used to buy conventional fuel. The battery is accessible to third parties and connected to cloud services, significantly increasing the overall value pool for stakeholders. Once used, the battery can be given a second life and utilized in financial or battery-related cloud services, giving rise to further use cases.

There are a growing number of examples of integrated value chain approaches involving BaaS. For instance, Proterra, a US electric-bus maker, and Japanese investor Mitsui are cooperating on a bus battery leasing scheme to lower entry costs for transit customers. The 12-year leases will cut the upfront costs of Proterra’s zero-emission eBus to roughly the same price as a diesel or CNG bus. The batteries can be easily swapped or repurposed for a second-life use.

In addition, German engineer Bosch just launched its “battery in the cloud” service to manage and monitor the battery life of electric vehicles. It gathers real-time data on metrics such as charging speed, number of charge cycles, stress from rapid acceleration and deceleration, and ambient temperature to offer user recommendations. For example, could the driver be driving more efficiently, and when will the car need a maintenance check? The system shows the potential to reduce battery wear and tear by up to 20%. Carsharing firm Didi is set to be the first client, with plans to launch Bosch’s solution across its fleet of electric vehicles in the city of Xiamen, China.
Fig. 13: Battery-as-a-service (BaaS) maximizes asset utilization using a circular economy approach and connecting the transport and the energy sector.

**Battery-as-a-Service – Concept**

- Refining
- Raw material extraction (e.g. mining)
- Recycling
- Precursor
- CAM production
- Reassembly for 2nd use as ESS
- "Connected services" during usage
- Cell / module manufacturing
- Vehicle and ESS production
- Remanufacturing
- Removal
- "Connected services" during usage

Source: Roland Berger

Fig. 14: Integrated value chain approaches can generate much higher profits to distribute among stakeholders.

**Integrated value chain creation – Selected approaches and profit potentials**

<table>
<thead>
<tr>
<th>Battery leasing</th>
<th>Cloud services</th>
<th>Refurbishment</th>
<th>Energy storage systems</th>
<th>Recycling</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description</td>
<td>&gt; Offer a battery leasing option at monthly fee</td>
<td>&gt; Battery-related cloud services to increase life time and enable predictive maintenance</td>
<td>&gt; Refurbish used batteries by replacing modules with insufficient capacity</td>
<td>&gt; Integrate used batteries in industrial and residential energy storage systems</td>
</tr>
<tr>
<td>Profit opportunities 1)</td>
<td>22.1 EUR/kWh</td>
<td>25.3 EUR/kWh</td>
<td>2.7 EUR/kWh</td>
<td>5.0 EUR/kWh</td>
</tr>
</tbody>
</table>

1) Initial battery pack price: 133.19 EUR/kWh, Leasing period: 12 years, Battery pack price after remanufacturing: 59.03 EUR/kWh, SoH after first life: 80%, SoH after 2nd life ESS: 85%. Example hypothetical, to be optimized with respect of regional market situation.

Source: Roland Berger

**Conclusion and recommendations**

To overcome the profitability gap between BEV and ICE vehicles, OEMs need new business models. These should ensure higher profits for all players involved in the battery value chain and reduce costs for customers by integrating the transport and energy sector in a circular economy.

As a prerequisite, technical requirements must be minimized and harmonized to allow for modular designs. This will enable second-life applications and cut costs. In addition, new business models will require a shift from the belief that OEM-supplier relationships are always zero-sum games. Instead, they should become closer and long-term cooperative approaches with “win-win outputs”.

Source: Roland Berger
3.3 Developing complementary zero-emission technologies

In the past few years it has become clear that OEMs are backing partial battery electric powertrains as the best way to achieve future emission targets. But they are also hedging their bets. While discussing strategic options to set battery electric technology as the only zero emission technology, OEMs also remain open to other battery electric powertrain options, such as fuel cells (FCEVs).

One reason for this two-pronged approach is that although BEV technology is ready for mass production, it still needs to overcome several hurdles. The key challenges are the high investments required to build recharging infrastructure; balancing energy sources and the electric grid; and the weight, refueling time and range of BEVs.

Fuel cell technology avoids most of these problems. It offers shorter refueling times, longer ranges and potentially limitless fuel and storage in the form of hydrogen. But to date the technology remains niche, especially when it comes to FCEV sales in Europe.

The situation is better in Asia, where the market drivers of FC technology itself, cost structure and competitiveness and hydrogen fueling infrastructure are more advanced. A new generation of FCEVs, including the Hyundai Nexo and Toyota Mirai, is proving the technology works. These vehicles show key improvements in critical areas such as cell packaging, energy density of the membrane electrode assembly and the use of platinum and modular systems.

Even so, production volumes remain low compared to those of BEVs. Only small series of up to 30,000 units have so far been announced. But this may change as market leaders such as Hyundai and Toyota open up their technology to other OEMs, for example Toyota is working with BMW and Hyundai with Audi.

Despite only small investments so far, we expect that the commercialization of fuel cell technology will gather pace. Long-haul trucks, buses and transportation mobility machines such as forklifts are likely growth areas.

Conclusion and recommendations

Fuel cell technology offers various appealing opportunities for OEMs and suppliers, particularly those who already have a foot in the commercial vehicle market. The fact that access to the technology is comparably good adds to the appeal. In addition, fuel cell technology remains an attractive option for players who are not yet well established in the EV powertrain market.
4. Methodology

To compile our ranking, we compared the relative competitive position of individual automotive nations against that of others using three key indicators:

- **Technology**: The current status of technological development in vehicles made by indigenous OEMs, and the support for vehicle development provided by national subsidy programs

- **Industry**: The regional value added in the automotive industry, by national vehicle, system and component production

- **Market**: The size of the national market for electric vehicles based on current customer demand

Roland Berger and fka weighted the individual indicators (value range 0-5) and combined them to form the E-mobility Index (Fig. 15). The Index allows the comparison of the competitive positions of the world's seven leading automotive nations (Germany, France, Italy, the US, Japan, China and South Korea), assessing their individual automotive markets on the basis of uniform global standards. The Index also reveals the extent to which individual nations are benefitting from the market that e-mobility is creating. The criteria applied are assessed as described below:

**Technology**

- The technological performance and value for money of electric vehicles that are currently available on the market or soon to be launched

- National e-mobility R&D programs. Only research grants and subsidies are taken into account (not credit programs for manufacturing, budgets for purchase incentives, etc.)

**Industry**

- Cumulative national vehicle production (passenger cars, light commercial vehicles) for the period 2017-2022, taking into account BEVs and PHEVs

- Cumulative national battery cell production (GWh) for the period 2017-2022

In the 2019 Index, the measurement threshold for national battery cell production was adjusted to reflect increasing cell production for the first time. The adjustment was necessary in order to implement an indicator assessment in the value range of 0-5. While in the 2018 Index the highest rating of 5.0 was awarded for countries that produced at least 75 GWh in the period 2016-2021, this threshold for the period 2017-2022 is 250 GWh in the 2019 Index. The higher threshold reduces countries' industry values compared to previous editions of the Index.
Market

Electric vehicles’ current share of the overall vehicle market (Q3 2018 – Q2 2019)

The 2018 Index was the first to include projections for 2021, while the 2019 Index is the first to include projections for 2022. The additional volume is reflected in higher scores for industry in all markets. However, this does not affect the shifts between markets, and the E-mobility Index’s comparability with previous indices is not compromised.

The measurement threshold for the market indicator was also modified in the Q2 2017 index for the first time. In the 2019 Index, the measurement threshold was once again adjusted to reflect increasing market penetration of BEV and PHEV vehicles. The adjustment was necessary in order to implement an assessment in the value range of 0-5. While in the 2018 Index the highest rating of 5.0 was awarded for countries with a minimum EV/PHEV market share of 1.3 percent, this threshold for the 2019 Index was increased to a market share of at least 2.25 percent. The higher threshold reduces countries’ market values compared to previous editions of the Index.

The technology indicator was updated in the Q4 2016 E-mobility Index. Individual aspects of the methodology used to measure technological performance (safety features, active safety) were adjusted, while on-board charging technology was added as a new criterion. Overall, these adjustments alter the level of the technology indicator compared to previous editions of the Index. The new charging technology criterion also results in shifts between individual countries.

Fig. 15: The E-mobility Index compares the automotive nations based on three parameters

- **Technology Index**
  - 60% Electric vehicle performance
    - Technological performance of electric vehicles (battery electric vehicles and plug-in hybrid electric vehicles, including/excluding range-extended EVs)
  - 40% National R&D funding
    - National R&D funding for electric vehicles and electric powertrains/storage systems for EVs

- **Industry Index**
  - 60% Electric vehicle production
    - National value added: vehicle assembly
  - 40% Supplier production footprint
    - National value added: cell production

- **Market Index**
  - 100% Electric vehicle sales ratio
    - Size of the national market (EV/PHEVs’ share of the overall vehicle market)

Source: fka; Roland Berger
Authors

We welcome your questions, comments and suggestions:

**Dr. Wolfgang Bernhart**
Senior Partner
+49 711 3275-7421
Wolfgang.Bernhart@rolandberger.com

**Ingo Olschewski**
Senior Manager
+49 241 8861-160
Ingo.Olschewski@fka.de

**Alexander Busse**
Senior Consultant
+49 241 8861-167
Alexander.Busse@fka.de

**Stefan Riederle**
Principal
+49 89 9230-8169
Stefan.Riederle@rolandberger.com

**Gero Pieper**
Project Manager
+49 89 9230-8390
Gero.Pieper@rolandberger.com

**Tim Hotz**
Senior Consultant
+49 89 9230-8319
Tim.Hotz@rolandberger.com
Publisher

Roland Berger GmbH
Automotive Competence Center
Sederanger 1
80538 Munich
Germany
+49 89 9230-0
www.rolandberger.com

fka GmbH
Strategy and Consulting
Steinbachstraße 7
52074 Aachen
Germany
+49 241 8861-0
www.fka.de

Photo credits

All images licensed from Roland Berger GmbH unless otherwise indicated.

Disclaimer

This study has been prepared for general guidance only. The reader should not act on any information provided in this study without receiving specific professional advice. Roland Berger GmbH shall not be liable for any damages resulting from the use of information contained in the study.