Electric car sales grew ~43% in 2020 as conventional car sales decreased 14%, led by Tesla and Europe

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As we look back on 2020, we see global electric vehicle (EV) sales actually rose 43% during a pandemic year, while internal combustion engine (ICE) vehicle sales decreased 14%. Another big sign of the disruption that is happening was news last week that the world's biggest diesel engine factory in France is undergoing a radical overhaul and switching to make electric motors. The EV disruption started with Tesla (NASDAQ: TSLA) but is now going mainstream with Volkswagen and BMW electric sales surging, especially in Europe.

2020 global electric car sales were ~3.24 million, up ~43% on 2019, reaching 4.2% market share. The chart below highlights that EV sales really took off in H2, 2020. This was mostly due to the surge in Europe EV sales.

Tesla was the number 1 global seller of electric cars in 2020 achieving about 16% market share (led by Tesla Model 3) leaving everyone in its wake. Nearest rivals were Volkswagen (7% share), BYD Co (6% share) and BMW (5% share). The Volkswagen brand tripled deliveries of all-electric vehicles in 2020, boosted by Germany's 254% increase in EV sales, new electric models, and Germany's subsidies.

Global electric car sales surged to record highs repeatedly in H2 2020



Source: EV-Volumes

H2 2020 will be remembered as the time when the serious EV disruption of ICE began. December 2020 was a record month for electric car sales with some incredible stats on electric car sales market share: France (19%), Germany (27%), Sweden (49%), Netherlands (72%), Norway (87%) and for all of Europe (an incredible 23% market share).

2021 and beyond EV forecasts

BloombergNEF forecasts EV sales to surge 60% in 2021 and IHS Markit forecasts global EV sales to rise by 70% in 2021.

Certainly the big change that is now happening is that the conventional car companies are now in panic mode as Tesla's growth and popularity surges. At Tesla Battery Day, Elon Musk said that Tesla plans to reach 20 million EV sales pa by 2030. That would put Tesla at almost double the current market share of ICE leaders Volkswagen and Toyota in the conventional car market. Given by 2030 most new car sales will be electric, the conventional car companies now realize they need to move fast or face bankruptcy.

Volkswagen has responded by boosting total digital mobility expenditures to €150 billion. BMW Group plans to virtually double the number of electrified vehicles it offers to 25 models by 2023, with more than half of these to be fully electric. Daimler will invest €70 billion ($85 billion) between 2021 and 2025 into EVs. Volvo Cars will go ahead and triple electric production capacity in Ghent after strong year of electrified car sales.

Global light electric vehicle sales are now growing

exponentially and ended 2020 at 4.2% market share



Source: EV-Volumes

Closing remarks

There should be no doubt now that a rapid switch from internal combustion engine vehicle to electric vehicle will occur this decade. China initially led and Europe caught up in 2020. The US will be next to catch up as Biden supports the sector with 550,000 new charging stations, renewed subsidies, and his latest plan to make the entire US Gov. 650,000 vehicle fleet go electric.

Without a doubt Tesla's electric car sales and Tesla's stock price performance were the huge winners of 2020. Looking ahead to 2021 it looks like Volkswagen is making a move and the Chinese startups Nio and XPeng should have a great year. BYD Co remains a China leader as well as a global leader in e-bus sales.

For investors the opportunity in 2021 is buying EV companies who can rapidly scale production and buying into the supply chain of battery manufacturers and EV metal miners. Below is a link to our InvestorIntel watchlists which is well worth a look.

2021 is looking like the year EV sales will fly higher, especially if we get a rebound in discretionary spending from an improving global economy with COVID-19 hopefully declining.

- https://investornews.wpengine.com/watchlists/ (lithium, cobalt, graphite, rare earths, etc.)