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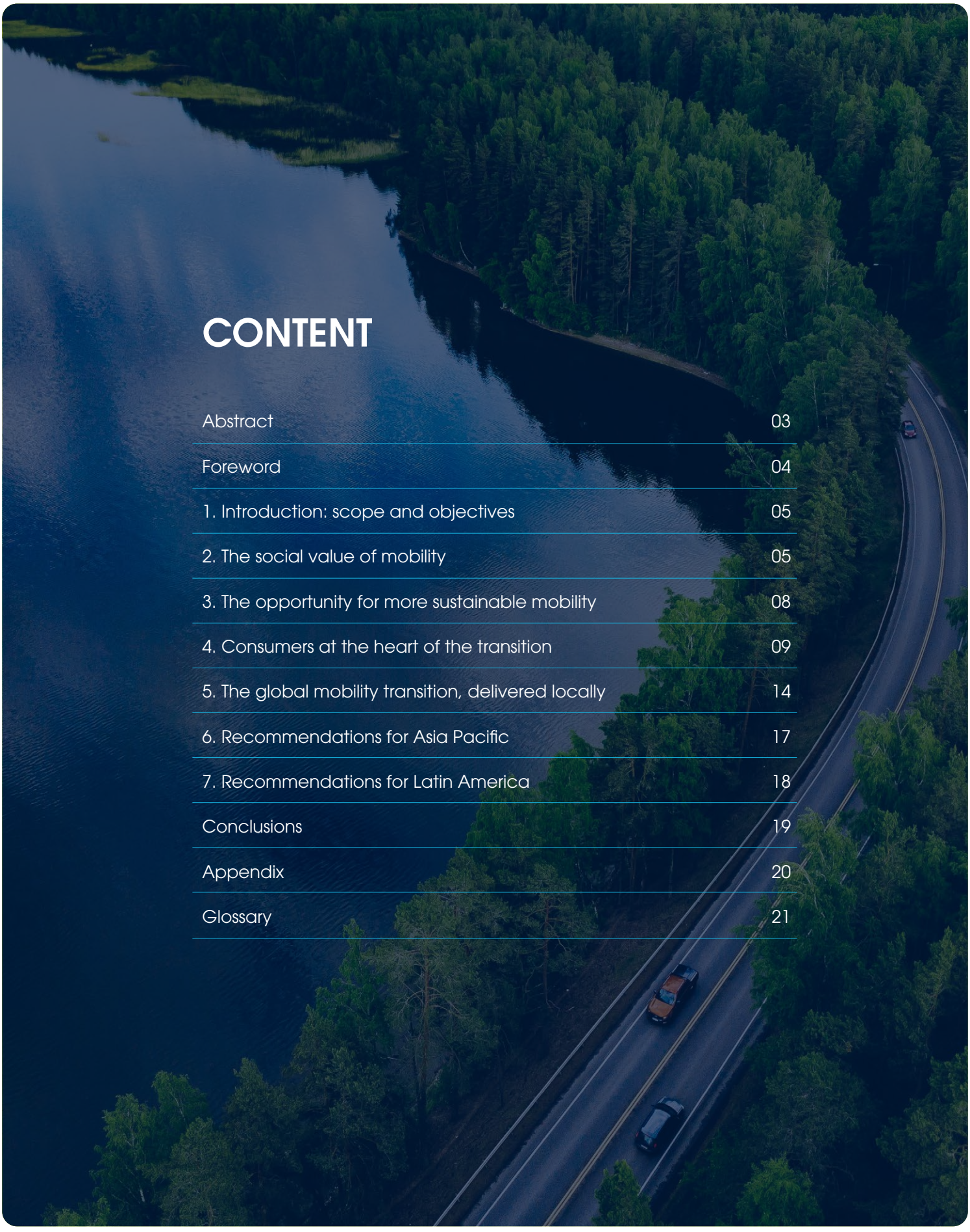
Drivers of Change

The rise of personal mobility and the shifting consumer perceptions to new energy vehicles in Latin America & Asia Pacific

Inchcape
August 2025



CONTENT

ABSTRACT

This report presents the findings of a global research initiative designed to understand consumer sentiment toward New Energy Vehicles (NEVs) and the role of personal mobility in people's lives across Latin America and the Asia-Pacific (APAC) region. Drawing on two largescale surveys conducted in early 2025—reaching nearly 6,000 respondents across 13 countries—the study explores how consumers perceive NEVs, their motivations and concerns around adoption, and the social value of vehicle ownership. The research highlights the central role that mobility plays in improving quality of life, social inclusion, and access to essential services, especially in emerging markets.[1]

The report identifies key differences between the two regions and across different countries. While sentiment toward NEVs is broadly positive in Latin America, adoption intent remains modest and largely constrained by affordability, limited infrastructure, and low awareness of NEV technologies. In contrast, consumers in APAC demonstrate higher ownership rates, greater trust, and more readiness to transition, driven by higher familiarity with NEVs.

By comparing diverse markets at different stages of readiness, the study offers actionable insights into how global mobility transition goals can be achieved through local strategies. It concludes that consumer preferences, infrastructure maturity, policy frameworks, and cultural contexts must be considered together to ensure the transition to sustainable mobility is both equitable and effective.

Report compiled by **Laura Viegas**[2]

[1] For more information about Drivers fo Change Surveys´methodology refer to the Appendix.
[2] Laura Viegas is Head of Communications & Sustainability for the Americas at Inchcape, and MBA from J. L. Kellogg School of Business.

FOREWORD

The automotive industry is undergoing an unprecedented transformation, driven by rapid technological advancement, evolving regulatory landscapes, and shifting consumer preferences. As the urgency for sustainable mobility grows, driven by global concern over climate change mitigation, the role of key players across the mobility ecosystem—including automotive distributors—has never been more critical.

Drivers of Change explores consumer sentiment and readiness for the transition to New Energy Vehicles (NEVs). Drawing on quantitative studies, the report reveals how global trends intersect with local realities, offering vital insights into how consumers perceive, embrace, or challenge this transition across diverse markets in Asia Pacific and Latin America.

Access to mobility remains fundamental to economic development and social inclusion. As our research confirms, the shift to NEVs must not only reduce emissions but also maintain and facilitate the role mobility plays in enriching lives through connecting people to employment opportunities, education, and connection with their communities.

The findings show that the NEV transition is unfolding at different speeds in different markets worldwide. A single, uniform approach will not succeed. Instead, the path forward must be responsive to each country's unique infrastructure, socio-economic conditions, and market maturity.

At Inchcape, this principle is at the core of our operations. Accelerate+, our growth strategy, is underpinned by our sustainability framework and contends that a sustainable mobility transition -that responds to both OEM priorities and consumer expectations- must be driven by global coordination and enabled through local execution.

Our findings (through the Drivers of Change surveys) highlight that the transition to sustainable mobility is not just about technology—it is about people. By listening to consumers and understanding their expectations, concerns, and motivations, we can create unique solutions for each of our markets that will help enable their ongoing shift to more sustainable mobility.

We hope Drivers of Change informs and inspires other mobility stakeholders to collaborate in our shared purpose of bringing better mobility to the world´s communities for today, for tomorrow and for the better.

Liz Brown
Group Chief Strategy
& Sustainability Officer

1. Introduction: scope and objectives

This paper presents the findings of "Drivers of Change", a global research programme commissioned by Inchcape that consisted of two major quantitative studies aimed at understanding consumer insights and sentiments toward New Energy Vehicles (NEVs) and the perceived value of personal mobility. Conducted during February and April 2025 across 13 countries[3], the survey reached 5,936 respondents and offers a comparative perspective between two diverse regions: Asia Pacific and Latin America. Inchcape partnered with Censuswide for the Asia Pacific study, while IPSOS delivered the Latin American portion. These regions were selected for their rapidly evolving mobility landscapes, differing infrastructure maturity, and varied consumer attitudes toward more sustainable personal transportation solutions.

The primary objective of these studies is to capture how consumers perceive NEVs in their local contexts, what factors influence their adoption decisions, and how vital personal mobility is to their everyday lives.

By examining preferences, concerns, and expectations, this paper aims to provide a data-driven understanding of regional trends that can inform policymakers, relevant social actors, and the automotive industry. Through this comparative analysis, the paper explores shared and distinct perspectives on the future of mobility, emphasising how cultural, economic, and environmental factors shape consumer choices in the evolving mobility landscape.

In addition to the primary survey data, this paper incorporates information from official statistics, studies conducted by other organisations, and national regulatory frameworks. These additional sources help contextualise the survey findings within their broader socio-economic realities and compare them with other markets. By integrating these external data points, the paper aims to provide a more comprehensive understanding of the factors influencing NEV adoption and mobility preferences and to situate consumer sentiment within each country's specific political, economic, and environmental circumstances.

2. The social value of mobility

Mobility as an enabler of a better quality of life[4]

Personal mobility plays a vital social role by enabling individuals to access essential opportunities that enhance their quality of life. These include access to employment, education, healthcare, and social activities—key pillars that support personal development, economic participation, and social inclusion. The personal vehicle allows people to connect with others, pursue their goals, and maintain independence, especially in contexts where public transport is limited or unevenly distributed. For certain population groups, such as the elderly, persons with disabilities, or low-income groups, having access to personal transportation can mean the difference between isolation and active engagement with their community and wider society.

Beyond its practical benefits, personal mobility contributes to a sense of autonomy and dignity. The ability to travel freely empowers individuals to make choices about where they live, work, and socialise, fostering a greater sense of control over their daily lives. This autonomy supports mental well-being and personal fulfilment, essential components of quality of life. In urban and rural settings, personal mobility facilitates social participation by breaking down geographical and social barriers, ultimately contributing to more inclusive and equitable communities.

The role of personal mobility in consumers´ lives

The insights presented in this section are drawn from the Drivers of Change surveys conducted across Asia Pacific and Latin America. The first section of these surveys uncovers how individuals in both emerging and rapidly urbanising markets perceive mobility in their daily lives, and what value they assign to different forms of transport, especially personal vehicle ownership.

Personal mobility continues to serve as a cornerstone of modern life, enabling the movement of individuals and shaping their economic, social, and emotional well-being.

[3] Surveyed countries: Chile, Colombia, Ecuador, Uruguay, Costa Rica, Peru, Thailand, Australia, Hong Kong, Philippines, Indonesia, Vietnam and Singapore. For more information about the methodology, refer to the Appendix.

[4] Ipsos/Censuswide: "Drivers of Change", 2025.
Moody, J. et al.: "The value of car ownership and use in the United States", Nature.com. June 2021 - https://www.nature.com/articles/s41893-021-00731-5
Chatterjee, K. et al.: "Access to transport and Life Opportunities", University of West England-Bristol, commissioned by the Department of Transport. August 2019

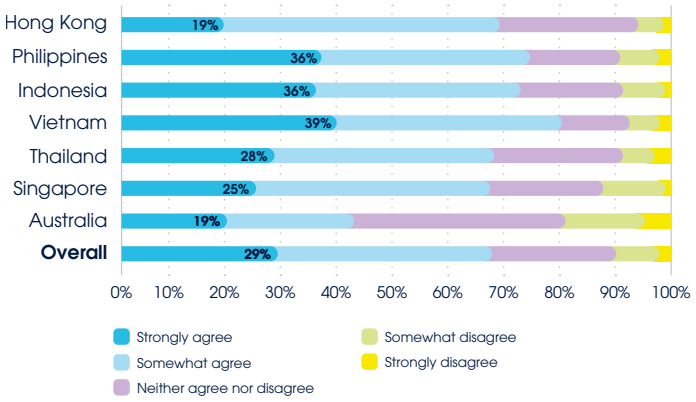
Asia Pacific

The survey across Asia Pacific reveals that the role of personal transport—particularly vehicle ownership—has grown considerably in the last two years. While 51% of respondents in the region reported changing their primary mode of transport, a significant portion shifted toward private solutions: 34% now use their own car, 18% share a personal vehicle with friends or family, and 14% rely on ride-hailing services. Country-level differences are also revealing. For instance, only 21% of Australians changed their primary mode of transport, whereas over 55% did so in Singapore, Vietnam, Indonesia, and the Philippines—markets with high adoption of personal vehicles. In Vietnam, for example, 40% of those who changed now primarily use a personal car. Similarly, 59% of Indonesians reported changing their mode of transport, with 30% now primarily using a personal vehicle.

This behavioural shift is underpinned by a strong emotional and practical value placed on personal vehicle ownership. Across Asia Pacific, 68% of respondents stated that their desire to own a vehicle increased in the last two years—a sentiment particularly strong across all markets. Furthermore, a large majority (83%) preferred owning a vehicle over using car-sharing or ride-hailing services, and 71% agreed (with 32% strongly agreeing) that owning a vehicle is something they cannot live without.

This underscores a deep perception of the vehicle as a means of transport and an enabler of personal freedom, convenience, and opportunity. The top reasons cited by vehicle owners for valuing their vehicles include the ability to move freely (63%), easier commuting (49%), and enhanced lifestyle and well-being for themselves and their families (39%). Additional benefits included access to job opportunities (33%), greater ability to socialise (24%), and improved access to education (18%).

My desire/need to own my car has increased greatly in the last two years



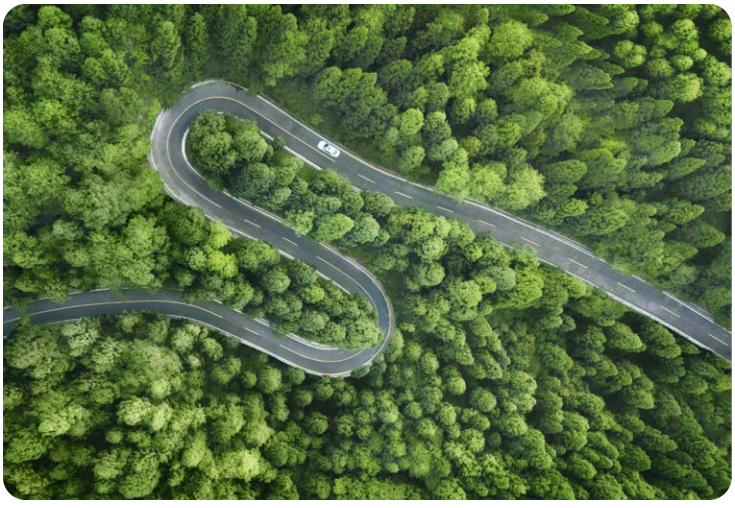
Censuswide: "Drivers of Change". 2025

In APAC, the ability to get around when they want to is highlighted as the key lifestyle driver of owning a car (by those who own one now).

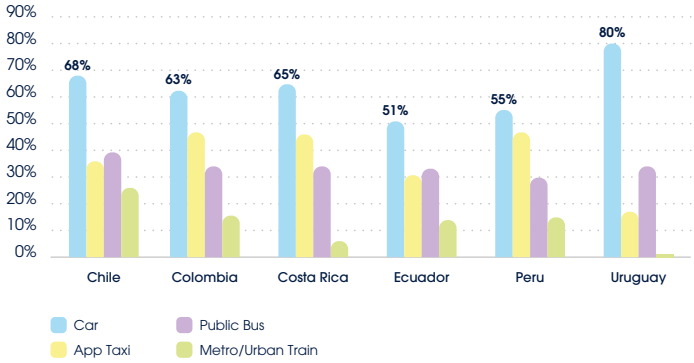
Censuswide: "Drivers of Change". 2025

Latin America

In Latin America, the role of personal mobility is equally, if not more, pronounced. Although fewer respondents (44%) reported changing their transport habits in the past two years, longitudinal data show a clear post-pandemic increase in private vehicle usage. The survey indicates that private cars are the most frequently used mode of transport in Latin America and the most preferred. In Chile and Costa Rica, for example, 53% of respondents reported primarily using a personal car, far outpacing the following closest options (public or shared transportation). In Colombia, Ecuador, Peru, and Uruguay, the personal vehicle similarly dominates actual usage and stated preference. These results indicate a regionwide trend in which private vehicle ownership is essential to personal mobility and independence.



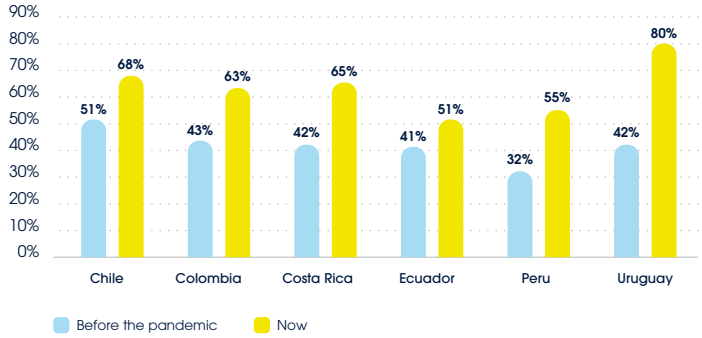
Latin American respondents cite cars as the most commonly used form of transport



Source: Ipsos. Drivers of Change Survey. 2025

A trend that increased after the pandemic

Use of own cars



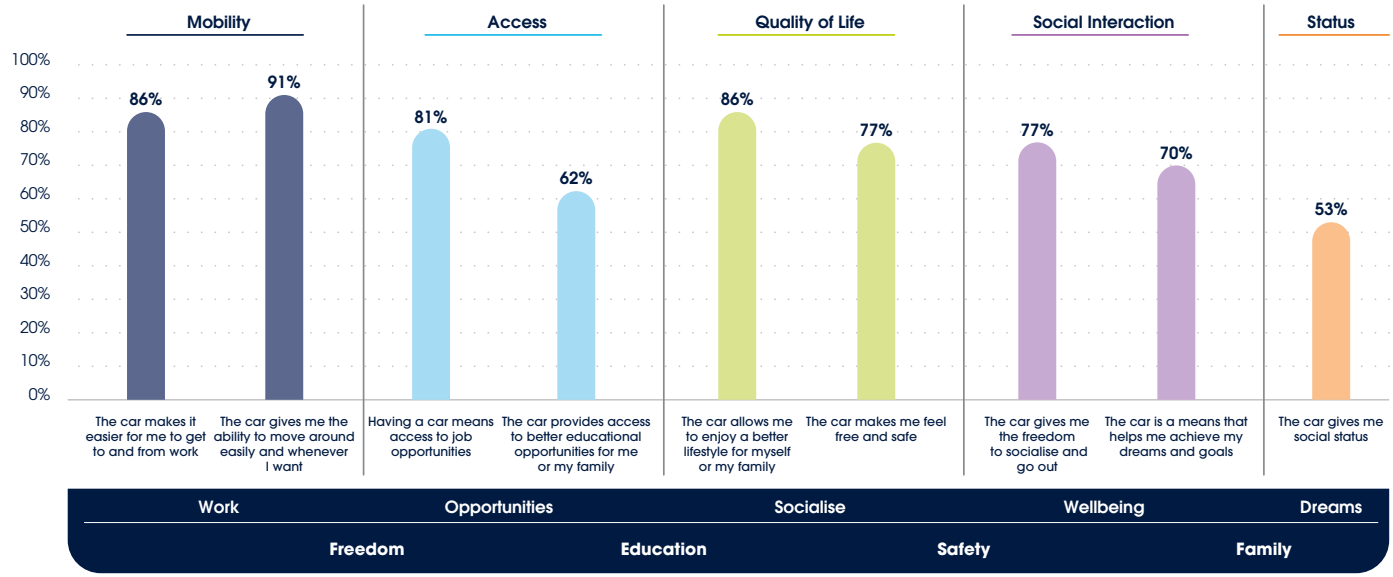
Source: Ipsos. Drivers of Change Survey. 2025

The perceived benefits of vehicle ownership in Latin America closely mirror those observed in Asia Pacific but are often reported with greater intensity. Among Latin American respondents, 91% identified the ability to move freely and on their own schedule as the most important benefit of owning a car. This was closely followed by the belief that a vehicle enables a better lifestyle for themselves and their families (86%), facilitates commuting to and from work (86%), and expands access to employment (81%). Notably, a high percentage of respondents (77%) also associated vehicle ownership with a sense of safety and personal freedom, and the same proportion felt it enabled them to maintain a more active social life.

Emotional and aspirational dimensions were also evident: 70% of respondents stated that owning a vehicle allows them to fulfil personal dreams and goals, and 62% cited better access to education.

These findings highlight that, in both regions, the personal vehicle is far more than a utility—it is a vehicle for wellbeing, social advancement, and personal identity. It remains embedded in how individuals define a good quality of life and navigate the demands of contemporary society.

Why do Latin Americans prefer to drive their own car?



IPSOS. Drivers of Change. 2025

3. The opportunity for more sustainable mobility

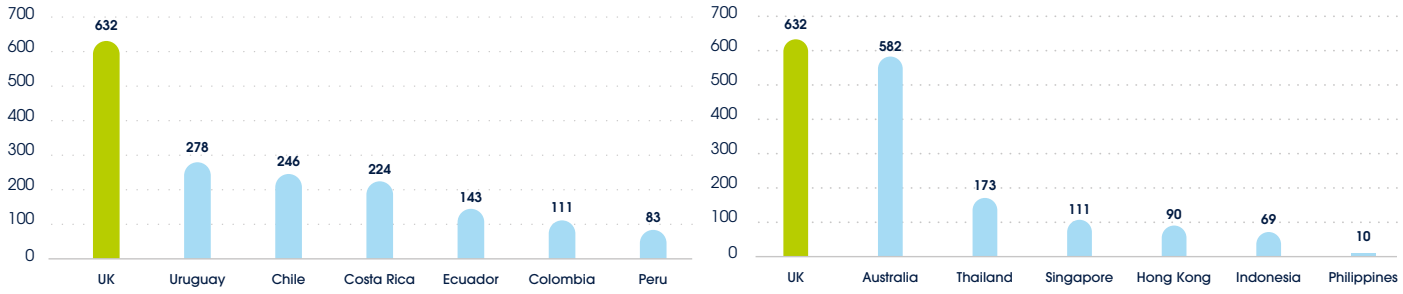
Tailpipe emissions from cars, trucks, and other road vehicles account for around 75% of all carbon emissions from mobility, approximately six gigatons of CO2 per year. This makes up close to 15% of total global CO2 emissions.[5]

Sustained economic growth in several Latin American and Asia-Pacific countries presents a strategic window of opportunity to advance more sustainable mobility and lower carbon technologies from an early stage of motorisation. Nations such as Chile, Colombia, Costa Rica, Ecuador, and Uruguay, as well as expanding Southeast Asian economies like Indonesia, Vietnam, and Thailand, currently exhibit low per capita motorisation rates compared to developed countries.

15%

of total global **CO2 emissions** are caused by tailpipe gases from road vehicles.

Motorisation Rates



Source: Inchcape Market Intelligence.

As purchasing power increases and the middle class expands, the demand for personal vehicles also grows, creating a unique opportunity to steer this growth toward lower carbon mobility technologies.

Rather than replicating a model based only on internal combustion engines, these countries have the opportunity to encourage penetration of electric, hybrid, or loweremission vehicles as motorisation rates rise, supported by public policies that expand charging infrastructure, offer fiscal incentives, and integrate smarter urban planning.

Given that internal combustion engine (ICE) technologies have also gradually improved in terms of emissions efficiency, the relatively low rate of motorisation presents an opportunity to develop a more modern vehicle fleet—whether based on internal combustion or new energy technologies—aligned with stricter energy efficiency standards, while avoiding the structural resistance posed by the extensive installed base of older, higher-emission vehicles characteristic of more developed countries.

In this context, the growth of personal vehicle ownership should not be seen as a barrier but rather as a lever for transformation. If properly directed, it can become a catalyst for the transition to low-carbon mobility, supporting the economy while providing a better quality of life.

[5] Moller, T. et al.: "Road Mobility", McKinsey Quarterly, August 2022 (https://www.mckinsey.com/capabilities/sustainability/our-insights/spotting-green-business-opportunities-in-a-surging-net-zero-world/transition-to-net-zero/road-mobility?utm_source=chatgpt.com)

4. Consumers at the heart of the transition

Sentiment and readiness for NEV adoption

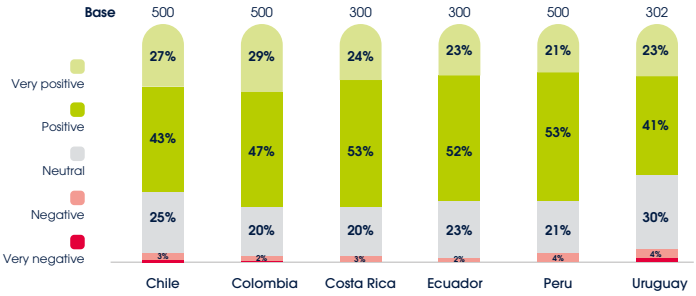
According to the Drivers of Change surveys, the sentiment toward new energy vehicles (NEVs) in Latin America and Asia Pacific reveals significant contrasts in consumer awareness, intent, and adoption levels.

In Latin America, while general sentiment is broadly positive—surpassing 70% in all surveyed countries except Uruguay (64%)—most consumers still plan to buy internal combustion engine (ICE) vehicles in their next purchase. For example, 78% of Chileans, 73% of Ecuadorians, and 65% of Costa Ricans intend to buy gasoline or diesel-powered cars in the next two years.

NEV purchase intent is notably lower, with only 21% in Chile, 27% in Ecuador, and 30% in Peru expressing plans to buy an EV or hybrid. Colombia stands out with 45% of consumers intending to buy an NEV, and one-third prefering hybrids. Meanwhile, in Peru, 24% say their next vehicle will run on liquefied petroleum gas (GLP), a cost-effective alternative given that GLP can be more than 50% cheaper than gasoline[6]. This alternative is also more sustainable, since GLP vehicles emit "12% less CO2 than petrol cars through the tank-to-wheels cycle".[7]

In contrast, APAC consumers demonstrate stronger engagement and preparedness for NEVs. Regional awareness of battery EVs, plug-in hybrids, and hybrids exceeds 80%,

In Latin America, electromobility is perceived favorably, with stronger support in Colombia and Costa Rica.

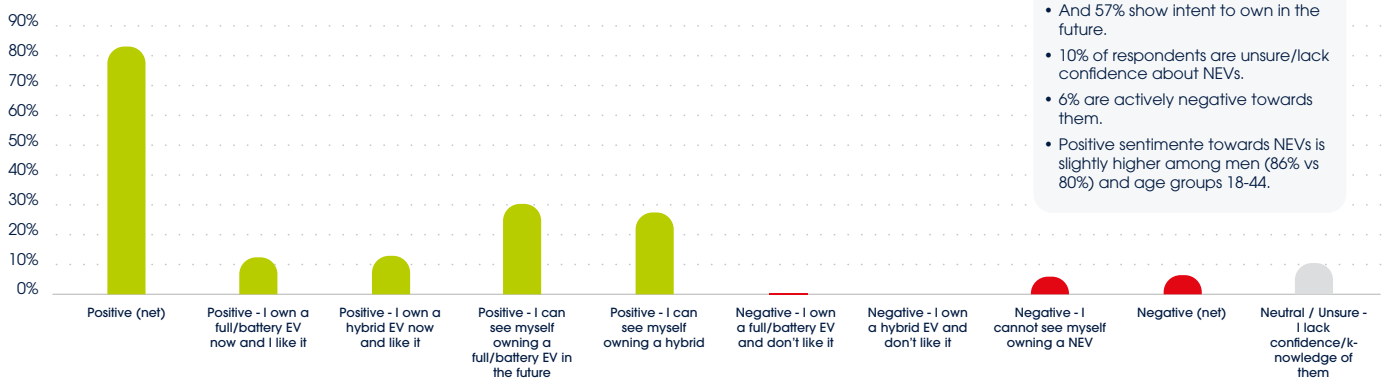


	Chile	Colombia	Costa Rica	Ecuador	Peru	Uruguay
Positive	71%	77%	77%	75%	75%	64%
Negative	4%	3%	3%	2%	4%	6%

IPSOS. Drivers of Change. 2025

while about 50% of respondents are also familiar with hydrogen vehicles. Positive sentiment toward NEVs averages 83%, with countries like Vietnam and Hong Kong reaching 93%. Ownership rates are significantly higher: 26% of APAC respondents already own a battery EV or hybrid. In Hong Kong, 47% of the respondents report current ownership; in Singapore and Thailand, the figure is around one-third.

83% respondents in APAC are positive about NEVs



- Of those 83%, a quarter (26%) own a battery EV or a hybrid.
- And 57% show intent to own in the future.
- 10% of respondents are unsure/lack confidence about NEVs.
- 6% are actively negative towards them.
- Positive sentimente towards NEVs is slightly higher among men (86% vs 80%) and age groups 18-44.

Censuswide. Drivers of Change, 2025

[6] https://www.infobae.com/peru/2025/05/06/como-ahorrar-en-combustible-en-lima-estos-son-los-grifos-con-los-precios-mas-bajos-de-gasolina-y-diesel/
[7] https://climate.ec.europa.eu/system/files/2016-11/aegpl_en.pdf?utm_source=chatgpt.com

Future purchase intent is even stronger—57% of APAC respondents see themselves owning a NEV, with only 10% unsure and just 3% expressing low confidence in some countries.

Country-specific differences further underscore the variations in adoption and pace between Latin America and APAC. In Colombia and Costa Rica, the two countries in the Latin American region with higher NEVs penetration, positive sentiment toward NEVs reaches 77%, yet actual ownership or short-term intent still lags behind APAC counterparts.

In the Philippines, while only 14% currently own an NEV, 70% express intent to own one in the future, more than double the average NEV intent in most Latin American countries. Despite only 18% NEV ownership in Indonesia, positive sentiment is high at 88%.

These numbers show that APAC is ahead in NEV ownership and building trust and familiarity. Overall, while Latin America shows promising positivity toward electromobility, especially in countries like Colombia and Costa Rica, actual purchase intent and readiness remain behind APAC.

These insights point to a regional gap driven by infrastructure readiness, market maturity, and economic incentives. However, with rising awareness and policy support, Latin America has the potential to close the gap in the coming years.

Drivers and Obstacles to the Transition – A consumer´s perspective

Across both regions, environmental consciousness and long-term cost considerations are shaping attitudes favourably. Yet actual readiness—measured through awareness, trust, infrastructure, policy support, and perceived risks—varies significantly by geography.

The APAC region exhibits higher awareness, more adequeate infrastructure, more trusting consumers, and more positive ownership experience. Nevertheless, both regions share common motivators (environmental sustainability and reduced day-to-day usage expenses) and face shared challenges related to affordability and infrastructure.

One of the most evident divides between Latin America and APAC relates to awareness of NEV technologies. Fewer than 40% of respondents in Latin America report high familiarity with fully electric vehicles (BEVs). Costa Rica (49%) and Ecuador (44%) are the only countries to exceed this threshold. Awareness of plug-in hybrid vehicles is even more limited, remaining below 30% in most countries. Knowledge of hydrogen fuel cell vehicles remains particularly low, failing to reach 25% across the board, with Uruguay as low as 11% (the market with the least awareness overall).

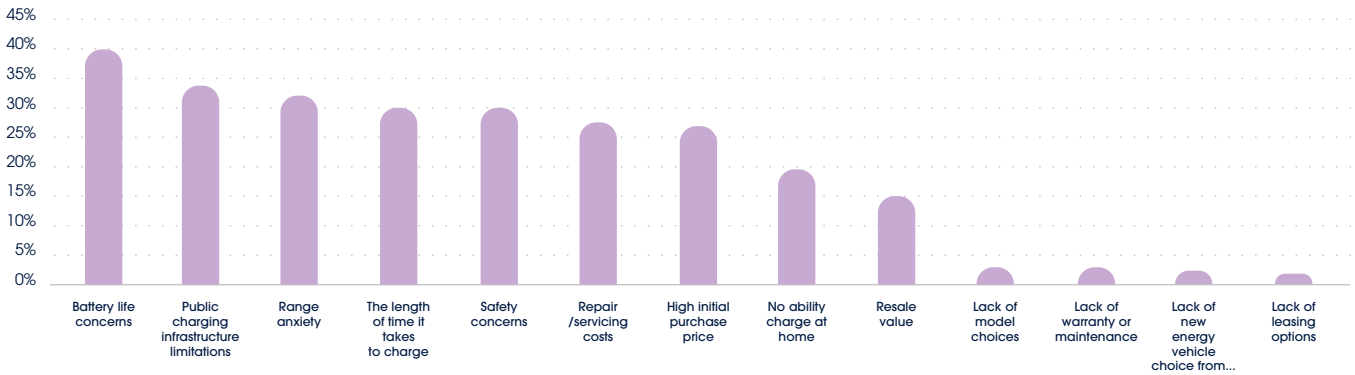
In contrast, the APAC region shows substantially greater familiarity. Regional awareness of BEVs, hybrids, and plug-in hybrids exceeds 80%, while knowledge of hydrogen vehicles is approximately 50%. This level of exposure is critical, as it builds foundational knowledge for purchase decisions.

Trust is closely linked to familiarity and plays a significant role in influencing willingness to adopt. As awareness of NEVs is low in Latin America, most respondents believe that NEVs are similarly or less trustworthy than ICE vehicles.

Within the NEV categories, BEVs inspire the highest trust levels. Between 38% and 49% of respondents view BEVs as more reliable than ICE vehicles, with Ecuador and Costa Rica reporting the highest confidence. Colombia also demonstrates high trust at 48%, while Chile and Uruguay remain more sceptical, with only 38% and 39% expressing greater trust in BEVs.

Perceived reliability drops for plug-in and non-plug-in hybrids and is even lower for hydrogen vehicles. However, it is noteworthy that most Latin American consumers still consider NEVs safe, with agreement levels ranging from 61% in Chile to 75% in Colombia.

Battery life, range anxiety and safety concerns feature strongly when we asked why consumers feel negatively towards NEVs.
APAC: What are the main factors that discourage you from purchasing an NEV, if any?
(Base: respondents that do not own or could not see themselves owning a NEV - 6% of base)



Censuswide. Drivers of Change, 2025.

In APAC, trust also varies by country and technology. While environmental motivations are strong, a significant portion of consumers report concerns about battery lifespan (40%), public charging infrastructure (34%), driving range (33%), charging time (30%), and vehicle safety (30%). These sentiments are particularly pronounced in developing APAC markets such as Indonesia and the Philippines, even as overall sentiment remains highly positive.

Purchase Motivators: Environment, Savings, and Technology

Environmental awareness remains the primary motivator for NEV adoption across both regions. In Latin America, 37% of respondents cite environmental impact or reduced carbon footprint as the top reason for considering a BEV, followed by energy cost savings (13%).

In APAC, environmental impact is even more substantial, with 62% of respondents citing it as a key motivator, rising to 82% in the Philippines and 88% in Indonesia. However, there is also nuance: 18% of consumers in the region believe that their choice of vehicle will not impact climate change, and 16% report that anxieties over NEV ownership outweigh environmental concerns. This suggests a more mature consumer base that balances environmental values with practical considerations like range, cost, and reliability.

Main Barriers: Affordability and Infrastructure

Affordability is the single greatest obstacle to NEV adoption in both regions. In Latin America, around 24% of respondents identify the high upfront cost as a primary deterrent across all NEV types. This perception is strongest in countries with lower economic development and limited fiscal incentives.

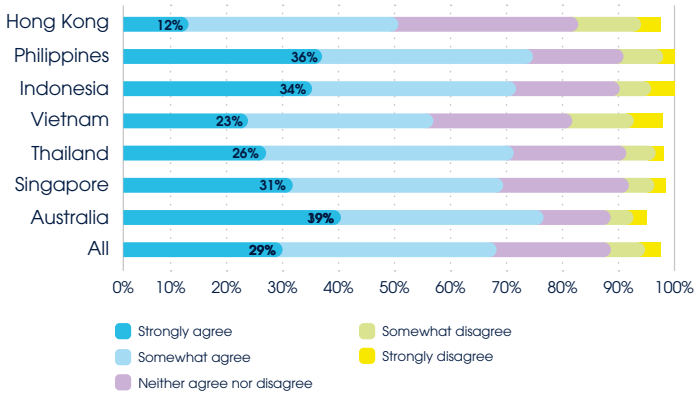
In APAC, the perception of high NEV costs is even more widespread. Nearly 68% of respondents believe NEVs are too expensive, making this the most cited barrier in the region.

Charging infrastructure is another key concern in Latin America, with fewer than half of respondents in any country agreeing that charging availability is adequate. Other commonly reported barriers include the inability to charge at home, battery lifespan worries, and long charging times.

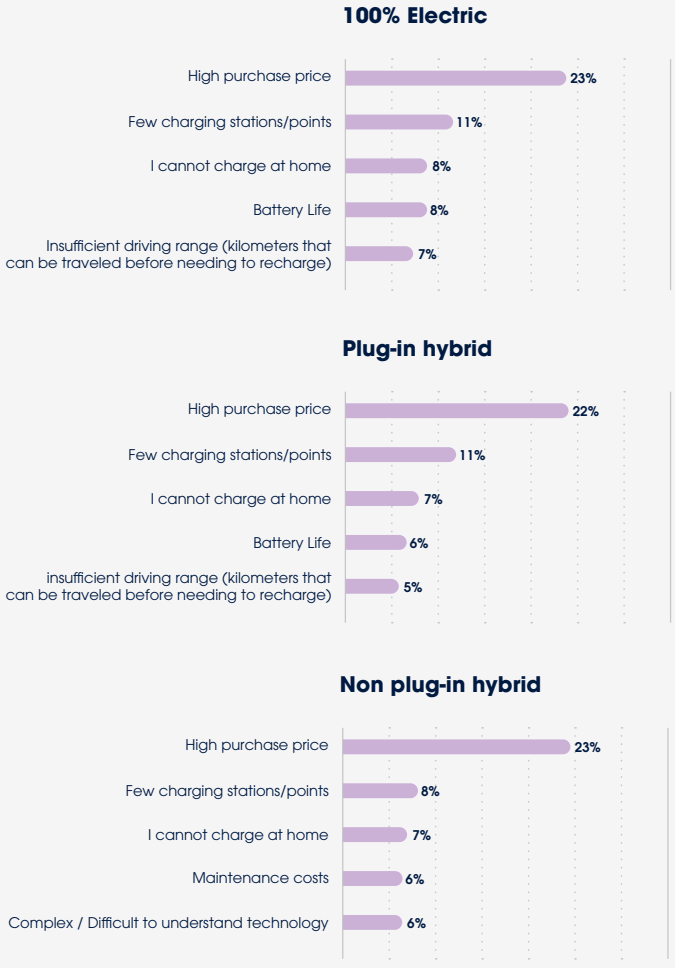
On the other hand, while infrastructure issues persist in APAC—especially in Indonesia and Vietnam—they are secondary to cost-related concerns.

Also, in this case, the data showcases how practical considerations gain space when the NEV market is more mature.

APAC: New energy vehicles are still too expensive in my country



Main barries to the purchase of an NEV among Latin American consumers



Ipsos. Drivers of Change, 2025

Consumer Expectations and Policy Incentives

Consumers in Latin America and APAC look to governments and industry stakeholders to reduce adoption barriers.

In Latin America, consumers´ most widely supported policy measures include:

- Tax reductions on vehicle purchase: Supported by 45 to 58% of respondents in the different countries.
- Reduced circulation permit fees: Favoured by between 37 and 46% of consumers, especially in Colombia and Costa Rica.
- Subsidies for home charger installation, especially in Chile and Uruguay.
- Battery recycling and replacement programmes: A priority for between 37 and 46% of respondents.

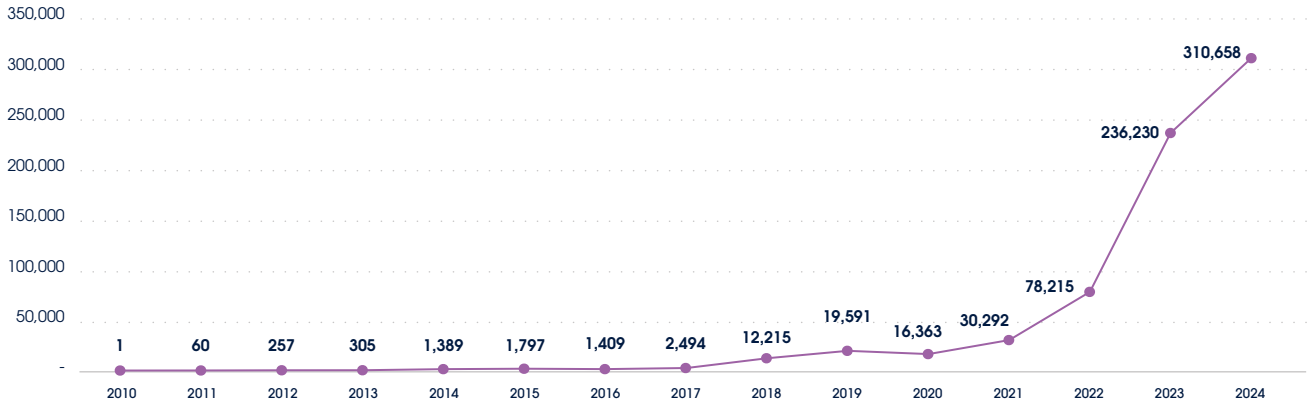
In APAC, approximately 80% of respondents believe brands and dealers should offer more extensive after-sales support, and 58% call for better consumer education, rising to 65% in the Philippines. Moreover, nearly two-thirds of Singaporeans agree that governments should set deadlines to phase out ICE vehicles, signalling higher alignment with national policy transitions.

In addition to fiscal measures, Latin American consumers call for clearer communication from dealerships and manufacturers regarding NEV benefits and long-term cost efficiency. This is particularly urgent in markets like Chile and Peru, where traditional preferences and lower policy visibility compound consumer uncertainty.

Purchase Intentions and Outlook

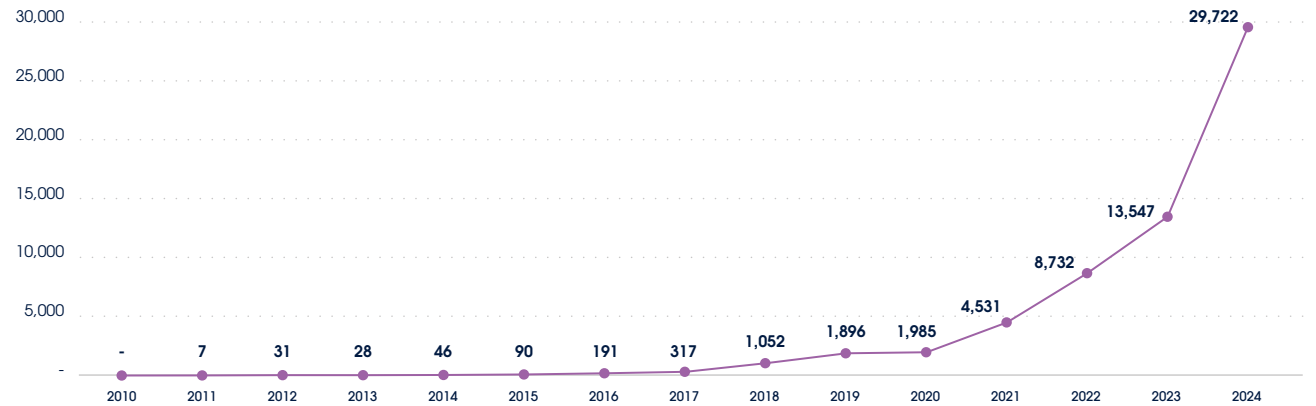
Despite structural challenges, NEV sales and purchase intent in Latin America are growing. In Ecuador, 53% of respondents would consider buying a BEV in the next two years. In Colombia and Peru, 49% express similar intentions. However, intent to purchase ICE vehicles remains high—65% or more in all countries surveyed—indicating that traditional technologies still dominate consumer preference.

APAC*: Evolution of EV Cars Sales (units)



*Includes Australia, Indonesia, Thailand and Vietnam.
Source: https://www.iea.org/data-and-statistics/data-tools/global-ev-data-explorer

Latin America*: Evolution of EV Cars Sales (units)



*Includes Chile, Colombia and Costa Rica.
Source: https://www.iea.org/data-and-statistics/data-tools/global-ev-data-explorer

In APAC, NEV ownership is already more widespread. Among the 86% of respondents that are positive about NEVs, 26% already own a BEV or hybrid. Future outlook is even more optimistic: 57% of them respondents say they see themselves owning a NEV, and uncertainty is low, with only 10% undecided and fewer than 5% firmly opposed in most markets.

Consistent with this greater ownership experience, the APAC region exhibits higher awareness, stronger infrastructure, and more confident consumers. Nevertheless, both regions share common motivators—namely, environmental sustainability and operating cost savings—and face shared challenges related to affordability and infrastructure.

Latin America Sustainable Mobility Index

Given that the concept of NEVs is still relatively new to Latin American consumers, IPSOS and Inchcape developed an "Sustainable mobility Index" based on those dimensions that influence consumers' predisposition toward NEVs.

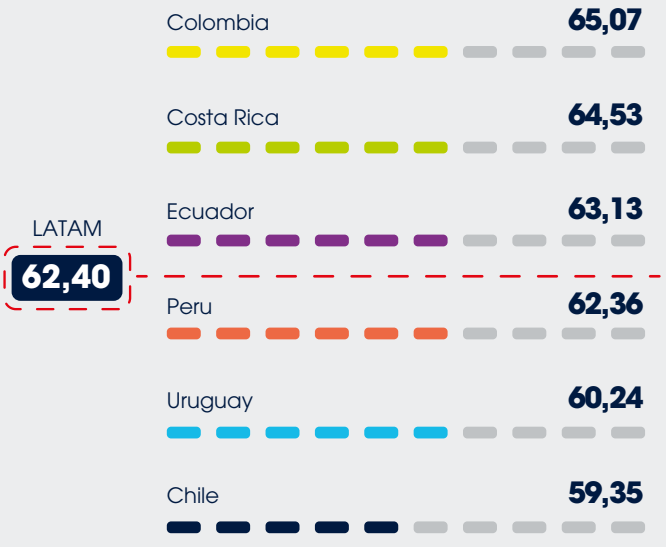
To understand the perception of electromobility among consumers, a series of attributes was listed and analysed to determine how much they explain that perception. These attributes were grouped into four key dimensions and weighted according to their relative contribution to the positioning of electromobility.

The questions for each attribute within the four dimensions were asked using a 5-point Likert scale (Agreement–Disagreement) and then adapted to a 0-100 scale. Therefore, the interpretation implies that the closer a country is to 100, the higher its predisposition toward electromobility; conversely, the closer it is to 0, the lower the predisposition.

As we run the index for the different countries, we observe a strong general predisposition toward NEVs, especially in countries like Colombia and Costa Rica. In contrast, Chile and Uruguay are the countries with the lowest predisposition.

% weight of each dimension

The index by country

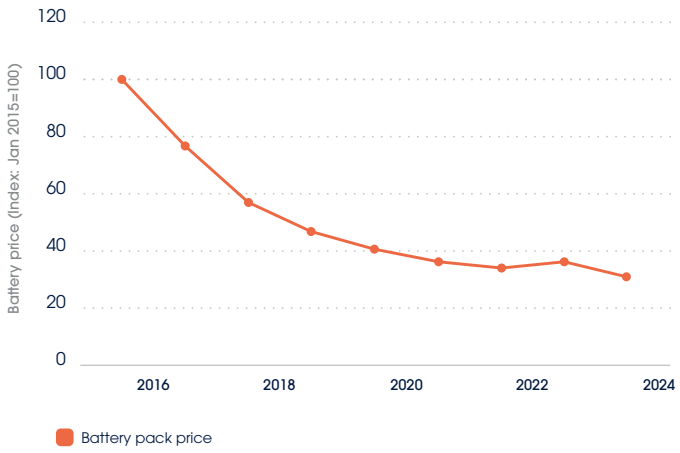


5. The Global Mobility Transition, Delivered Locally

The Role of the Public Administration

One of the most significant obstacles to the widespread adoption of EVs is their higher upfront purchase cost, particularly when compared to traditional ICE vehicles. The main driver of this cost differential is the price of EV batteries. Although there has been a substantial decline in battery costs over the past decade—leading to a significant reduction in the purchase price of EVs relative to their battery range—the timeline for achieving cost parity with gasoline-powered vehicles remains a subject of debate.[8]

Evolution of battery prices



https://www.iea.org/data-and-statistics/charts/price-of-selected-battery-materials-and-lithium-ion-batteries-2015-2024

Several Latin American and Asia-Pacific countries have implemented targeted fiscal and regulatory strategies to mitigate the financial burden posed by the higher upfront cost of electric vehicles, or to offer circulation privileges to NEVs in their cities.

Nations such as Costa Rica and Colombia have focused on eliminating or reducing import duties, value-added taxes, and annual circulation fees for electric vehicles. These measures are intended to narrow the price gap at the point of sale, making EVs more accessible to middle-income consumers. For instance, Costa Rica's Electric Transport Promotion Law offers a sliding scale of exemptions based on vehicle price, with full tax waivers for EVs under US$30,000. Chile has adopted similar measures but at a much narrower scope, providing tax moratoriums and subsidies for vehicle conversion, especially for high-utilisation fleets such as taxis.

Some Colombian cities adopted an incentive based on reduced driving restrictions that proved to be very successful in accelerating the adoption of NEVs. In Bogotá, Medellín, and Cali, the "Pico y Placa" policy restricts vehicle circulation based on the final digit of the license plate during weekday peak hours. While schedules vary locally, the aim is to reduce traffic congestion and air pollution. Certain vehicles—such as electric ones— are exempt. Penalties for non-compliance include fines and possible vehicle immobilisation.

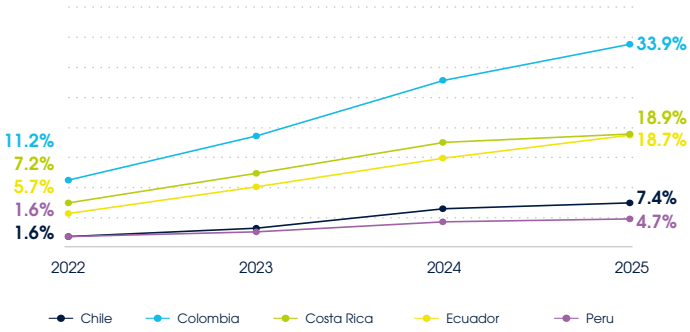
In Ecuador, government incentives include full exemptions from import tariffs, VAT, and special consumption taxes. Additionally, EVs are not subject to circulation restrictions and benefit from free public parking in some cities. Users also enjoy reduced electricity rates for home charging, and private investment in charging infrastructure is supported.[9]

[8] Knittel C: Challenges to Expanding EV Adoption and Policy Responses. Centre for Energy and Environmental Policy; MIT. October 2024 (https://ceepr.mit.edu/challenges-to-expanding-ev-adoption-and-policy-responses)

[9] For more information about policies, visit the IEA Policies Database (https://www.iea.org/policies)

The following table illustrates that countries offering more accessible and more substantial incentives tend to experience faster growth in the adoption of New Energy Vehicles (NEVs).[10]

The NEVs segment is growing fast in Latin America



Source: Inchcape Market Intelligence, 2025

In the Asia-Pacific region, governments are adopting a combination of demand-side and supply-side incentives. These policy instruments not only reduce the effective purchase price of EVs but also help mitigate operational costs through preferential circulation rights, subsidised charging infrastructure, and long-term exemptions from vehicle related taxes. By internalising the environmental externalities of combustion-engine vehicles and externalising part of the investment required for EV adoption, these countries are actively lowering the financial threshold for consumers. In doing so, they aim to accelerate market transformation despite the persisting price premium of EVs, especially in regions where median household incomes constrain mass adoption without public support.

According to the Global EV Outlook 2025, EV sales in Southeast Asia will approach 30% of all vehicle sales in 2030 under today's policy settings.[11]

Indonesia, Southeast Asia's second-largest vehicle market, has introduced a range of policies to meet its ambitious EV targets. A key incentive was the introduction in 2023 of a VAT discount on EV sales. In addition, EV manufacturing and trade policies currently provide import duty exemptions for EVs made by manufacturers committing to establish domestic manufacturing facilities by 2026. Under stated policies, the electric vehicle sales share is expected to reach 25% by 2030, up from 9% in 2024.

Thailand, Southeast Asia's third-largest vehicle market in 2024, implemented a set of measures called the EV 3.5 Policy to support the roll-out of electric passenger cars, pick-up trucks and motorcycles. This new scheme, adopted in 2024 is designed to continue a previous policy (EV 3.0 Policy), giving BEV manufacturers more time to meet their production commitments while avoiding oversupply. Under the new framework, the Thai government will establish new purchase subsidies and road tax exemptions until 2027, including incentives for hybrid vehicles and waivers on import duties for OEMs committing to produce EVs domestically.

The Philippines, Vietnam and Singapore have also adopted policies to reduce import duties, exempt EVs from excise taxes, or set up EV mandates to further support the adoption of EVs in the region. Public administrations in Latin America and Asia-Pacific play a vital role in accelerating NEV adoption by addressing the high upfront cost of EVs through targeted fiscal and regulatory incentives. From tax exemptions and circulation benefits to industrial policies supporting local production, these measures are helping bridge affordability gaps and drive consumer uptake. The evidence shows that when policies are locally tailored and aligned with broader social and economic goals, they can significantly speed up the transition to sustainable mobility.

Charging Infrastructure and the Energy Industry

The energy industry is pivotal in enabling the large-scale transition to New Energy Vehicles (NEVs). As transport electrification advances, the demand for reliable, accessible, and clean electricity infrastructure is increasing rapidly. Energy distributors must ensure that power grids are resilient, capable of managing higher and more variable loads, and prepared for the shift in demand patterns created by EV adoption. This includes investing in smart grid technologies, demand response systems, and integrating renewable energy sources to minimise the carbon footprint of electric mobility.

A key challenge lies in deploying the charging infrastructure, particularly in urban areas with limited space, and rural or underserved regions with restricted grid access. The energy distribution sector is central to this effort by expanding grid capacity and partnering with governments, OEMs, and private investors to ensure that charging networks are equitably distributed.

In markets where NEV adoption is rising quickly, coordinated planning between energy providers and other social actors is essential to avoid congestion, ensure reliability, and prevent bottlenecks.

Moreover, energy distributors have a unique opportunity to accelerate the decarbonisation of transport by aligning EV charging with cleaner energy generation. Time-of-use pricing, vehicle-to-grid (V2G) solutions, and decentralised energy systems such as solar-powered charging stations can further reduce environmental impacts and improve energy efficiency.

By evolving from passive suppliers to active enablers of clean transport ecosystems, energy distribution companies will support the mobility transition and redefine their role in a more integrated and sustainable energy future.

[10] Inchcape Market Intelligence Data. 2025
[11] Global EV Outlook 2025. https://www.iea.org/reports/global-ev-outlook-2025

Shaping the Shift: The Role of OEMs

Original Equipment Manufacturers (OEMs) are the great enablers of technological change in the automotive industry. They drive innovation by integrating electric powertrains, battery systems, and alternative energy solutions into their product lines. Their strategic decisions on investment, research and development largely determine how quickly and effectively NEVs reach the market.

Beyond manufacturing, OEMs shape consumer sentiment and trust in NEVs through branding and performance standards. Legacy automakers carry strong brand recognition, which they can leverage to normalise the shift to electric mobility. OEMs also influence NEV affordability and availability, crucial factors for widespread adoption.

OEMs must also adapt to a rapidly changing regulatory environment that increasingly favours NEVs through subsidies, emissions targets, and production quotas. Governments in regions like the European Union and China have established policies that compel OEMs to meet fleet-wide emissions reductions or face penalties. In response, many OEMs are restructuring their supply chains to secure critical raw materials like lithium and cobalt for battery production while investing in sustainable sourcing and recycling methods. Their ability to align production goals with environmental and regulatory mandates is essential for a successful transition.

Finally, the role of OEMs extends to fostering global collaboration and competition that accelerates technological progress in NEVs. By engaging with their distribution partners, particularly in regions with strong NEV growth potential like Southeast Asia or Latin America, OEMs can tap into local knowledge, reduce production costs, and expand market access.

The commitment and adaptability of OEMs are key factors to ensure that the shift to NEVs can be achieved at the scale and speed required to meet climate goals.

Catalysts of Change: The Role of Distributors

Their local expertise and international operational scale make global automotive distributors like Inchcape essential players in achieving global NEV adoption targets.

Global distributors bridge the gap between OEMs and end consumers, especially in markets where OEMs do not have direct operations. Distributors are responsible for importing, marketing, and servicing vehicles across diverse geographic regions. Their extensive local stakeholders´ relationships, market knowledge, and customer service infrastructure enable them to introduce NEVs into regions that may otherwise be challenging for OEMs to penetrate directly.

This is particularly important in emerging markets, where regulatory environments, infrastructure readiness, and consumer familiarity with NEVs vary widely.

The "Drivers of Change" surveys indicate that two of the key roles of distributors in the NEV transition are consumer education and demand stimulation. Distributors raise awareness about the benefits of NEVs—such as lower running costs and environmental impact—by investing in marketing, experiences and test drives. They also play a vital role in training dealer staff, ensuring that both sales and after-sales teams can effectively communicate NEV technology and address common consumer concerns, such as safety, battery lifespan, charging, and total cost of ownership.

Distributors are also vital to broadening consumer choice by offering a wide range of brands and NEV models. Their multi-brand approach allows consumers to compare different technologies, price points, and design features. By curating a diverse portfolio, distributors ensure that consumers can find the vehicle that best suits their budget, driving needs, and local conditions.

Distributors can also influence infrastructure development by working with local governments, energy providers, and private sector partners to support the rollout of charging stations and service facilities.

Additionally, they play a role in adapting vehicles to meet local regulations and preferences, particularly relevant for NEVs requiring different charging standards, safety features, or software configurations across markets.

Finally, distributors serve as strategic partners to OEMs, providing valuable feedback on market trends, consumer behaviour, and policy shifts. This insight allows OEMs to refine their product offerings and marketing strategies to better align with local demand. Distributors' ability to ensure the most efficient route to market (managing inventory, maintaining strong dealer relationships, and securing brand standards) ensures that the rollout of NEVs is technically feasible and commercially successful.

6. Focus on Asia Pacific: Additional Recommendations

Invest in Consumer Education to Build NEV Confidence

Across the APAC region, 58% of respondents express a need for more education around NEVs, with key concerns centring on battery life, safety, charging infrastructure, and ongoing maintenance. To accelerate adoption, these educational efforts must be localised. In Vietnam, where sentiment toward NEVs is the highest (93%) and ownership already relatively common (33%), communication can focus on product differentiation, technological features, and long-term value.

Consumers also expect OEMs and dealers to offer more transparency around total costs of ownership (warranties, maintenance) and safety assurances, which are critical factors for those who remain uncertain about switching to NEVs. Moreover, while government incentives are often cited as important enablers of adoption, awareness of these programs varies widely across markets. This highlights the need for better communication to ensure consumers understand the full range of available benefits.

Leverage Hybrid Vehicles as a Bridge to Full Electrification

Hybrid vehicles present a strong intermediate solution in markets where full battery electric vehicles (BEVs) still face adoption barriers. In Indonesia, 36% of respondents strongly agree that hybrids offer the right balance between environmental care and cost efficiency. In countries like Australia and Thailand, where consumer preference for BEV remains lower, hybrids can act as a low-risk entry point. Promoting hybrids as a practical, lower-cost alternative can help accelerate the transition toward electrification, especially where concerns over charging infrastructure and battery performance persist.

Capitalise on Low Motorisation Rates

Emerging APAC markets such as Vietnam and Indonesia are experiencing a shift from two-wheelers to four-wheel personal vehicles. In Indonesia, 59% of respondents reported a change in their primary mode of transport, with a strong move toward vehicle ownership. These markets are characterised by rising incomes and a growing middle class buying their first car. This presents an excellent opportunity to shape consumer behaviour early by offering affordable NEV options and financing solutions. In Vietnam, where enthusiasm for vehicle ownership and NEVs is high, targeted entry-level NEV programs could accelerate adoption.

Tailor Product Strategies to Reflect Local Sentiment and Priorities

Consumer preferences and concerns differ across APAC markets. Safety and price are the top priorities in Thailand and Vietnam when choosing a vehicle. In Indonesia, fuel efficiency is a strong deciding factor, while respondents from Singapore emphasise financing options. Australian consumers value brand familiarity and reputation. These differences indicate the need for localised product strategies. A flexible, marketspecific vehicle positioning and promotion approach will better align offerings with local values and drive consumer engagement.

36%

of APAC respondents agree that hybrids offer the right balance between environmental care and cost efficiency.

7. Focus on Latin America: additional Recommendations

Promote Hybrid Vehicles as Transitional Solutions

Given the concerns around range and battery life, hybrid vehicles can serve as an effective bridge toward full electrification. Public policy should incentivise both hybrids and BEVs, helping consumers choose based on their needs and readiness. For instance, in Ecuador and Colombia, where NEV intention is high, but infrastructure is still developing, promoting hybrids could accelerate adoption while maintaining momentum toward lower-emission transport.

Develop Robust Public Policy Frameworks

To foster confidence among consumers and industry stakeholders, governments should establish clear, long-term policy frameworks that support NEV adoption across fiscal, regulatory, and infrastructure dimensions. Stable incentives such as tax exemptions, reduced circulation fees, and import duty relief, already in place in Costa Rica and Colombia, should be maintained and expanded. Additionally, policies should include vehicle efficiency standards and regulatory roadmaps for phasing out ICE vehicles in line with the real capabilities of each nation. A predictable policy environment will encourage investment, enable planning, and help ensure NEV adoption.

Strengthen Communication Around Economic and Practical Benefits

Brands and distributors should expand their messaging beyond environmental value to emphasise tangible economic benefits, such as lower operating costs, reduced maintenance, and long-term savings. Highlighting how NEVs perform in everyday use and cost less over time will resonate with consumers, especially in markets like Chile and Uruguay, where price sensitivity is high.

Expand Charging Infrastructure

Limited charging availability is viewed as a widespread barrier, particularly in Colombia, Peru, and Costa Rica. Public and private sector collaboration is needed to deploy charging stations in residential areas, commercial zones, and highways, focusing on making infrastructure visible and user-friendly.

Target First-Time Buyers and Urban Youth

Mobility is particularly meaningful for younger consumers and first-time buyers, who view vehicle ownership as a means of independence and economic advancement. Programs that make NEVs accessible to this segment, such as financial support, could have a significant impact.

Elevate NEVs Through Branding and Product Positioning

As NEVs are not yet viewed as highly desirable products in most of the region, OEMs and distributors should reframe EVs as symbols of smart living—through design, technology features, and association with forward-thinking values.

Limited charging availability is viewed as a barrier to EV adoption in Latin America.

CONCLUSIONS

The Drivers of Change surveys highlight the growing significance of personal mobility across Asia-Pacific and Latin America. In both regions, vehicle ownership enriches lives, and is tied to practicality and aspirations for independence and social mobility. Especially in emerging markets, vehicles provide access to essential services and improved quality of life, reinforcing a strong preference for ownership even as shared mobility options expand.

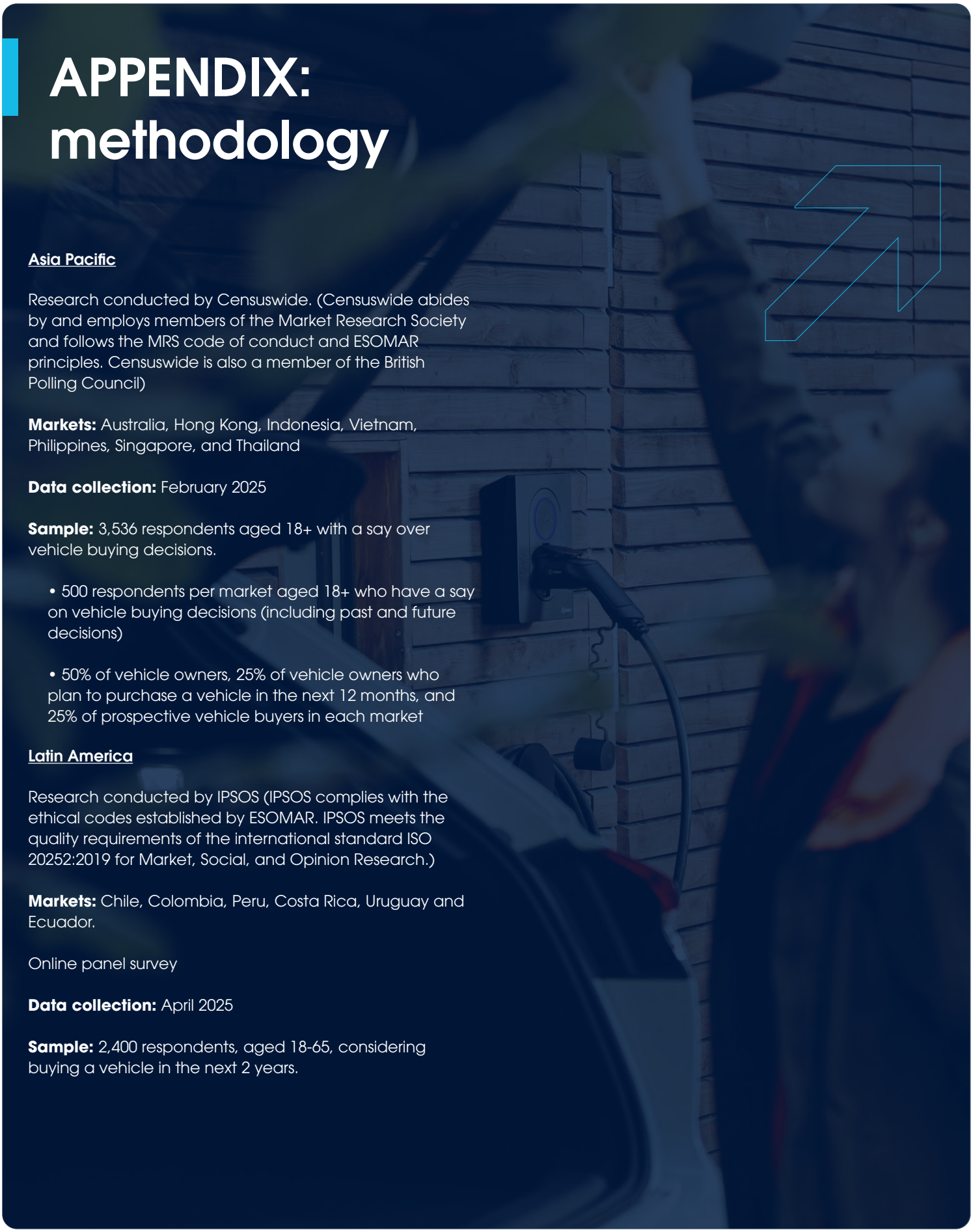
The data points to a significant opportunity: countries with rising GDP and low motorisation rates can leap directly to lower-carbon mobility solutions. Rather than following high-emission models, Latin American and APAC markets can integrate NEVs early into their transport systems. With the right policy mix, infrastructure planning, and public–private coordination, these regions can meet demand sustainably. A global perspective combined with local insights will help deliver insights for OEMs, policymakers and customers, empowering them to tailor the mobility transition to their local market reality.

Consumers are central to this transition. While environmental concerns and lower running costs motivate NEV interest, adoption remains limited by affordability, infrastructure gaps, and lack of awareness. The contrast between APAC and Latin America is clear: the former shows higher NEV familiarity and ownership, while the latter faces greater barriers due to weaker policy and education.

Government support is vital. Countries that offer fiscal incentives, charging infrastructure investment, and supportive regulation see faster NEV growth and greater consumer trust. By reducing total ownership costs and improving public understanding, governments can unlock more equitable access to more sustainable mobility.

Lastly, the shift to sustainable mobility relies on collaboration across sectors. OEMs must continue innovating and localising product strategies, while distributors connect global supply to local demand and provide vital local market insight to OEMs, governments and wider industry. Together, their ability to align with consumer needs and national environmental goals will shape the success of the NEV transition in these regions.

APPENDIX: methodology



Asia Pacific

Research conducted by Censuswide. (Censuswide abides by and employs members of the Market Research Society and follows the MRS code of conduct and ESOMAR principles. Censuswide is also a member of the British Polling Council)

Markets: Australia, Hong Kong, Indonesia, Vietnam, Philippines, Singapore, and Thailand

Data collection: February 2025

Sample: 3,536 respondents aged 18+ with a say over vehicle buying decisions.

- 500 respondents per market aged 18+ who have a say on vehicle buying decisions (including past and future decisions)
- 50% of vehicle owners, 25% of vehicle owners who plan to purchase a vehicle in the next 12 months, and 25% of prospective vehicle buyers in each market

Latin America

Research conducted by IPSOS (IPSOS complies with the ethical codes established by ESOMAR. IPSOS meets the quality requirements of the international standard ISO 20252:2019 for Market, Social, and Opinion Research.)

Markets: Chile, Colombia, Peru, Costa Rica, Uruguay and Ecuador.

Online panel survey

Data collection: April 2025

Sample: 2,400 respondents, aged 18-65, considering buying a vehicle in the next 2 years.

GLOSSARY

Aftermarket
The secondary market for automotive parts, accessories, and services after a vehicle is sold, including repairs, maintenance, and upgrades.

Battery Electric Vehicle (BEV)
A type of NEV that runs exclusively on electricity stored in rechargeable batteries, with no internal combustion engine.

Charging Infrastructure
The network of facilities, equipment, and technologies used to recharge electric vehicles, including public charging stations and home chargers.

Dealership
A retail business authorized to sell and service vehicles from a specific manufacturer.

Drivetrain
The group of components that deliver power from the engine or motor to the wheels, including the transmission, driveshaft, and differential.

Electric Range
The maximum distance an electric vehicle can travel on a full battery charge.

Hybrid Electric Vehicle (HEV)
A vehicle that combines a conventional internal combustion engine with an electric propulsion system, without external charging. The battery is charged by regenerative braking and the engine (no plug-in charging).

Hybrid Powertrain
A propulsion system combining an internal combustion engine with one or more electric motors to improve efficiency and performance.

Internal Combustion Engine (ICE)
A power unit that generates mechanical energy by burning fuel (usually gasoline, diesel, or alternative fuels) inside a combustion chamber.

Lifecycle Emissions
Total greenhouse gas emissions produced over a vehicle's lifespan, from manufacturing to disposal.

Mild Hybrid Electric Vehicle (MHEV)
Uses a small electric motor (often 48V) to assist the ICE for better fuel efficiency and smoother start/stop, but cannot drive the vehicle on electric power alone.

New Energy Vehicle (NEV)
A broad category covering HEVs, MHEVs, BEVs, FCEVs, PHEVs, REEVs, and other vehicles using alternative fuels or advanced propulsion technologies.

OEM (Original Equipment Manufacturer)
A company that produces vehicles or components that are sold under its own brand or to other companies for use in their products.

Plug-in Hybrid Electric Vehicle (PHEV)
A hybrid vehicle that can recharge its battery from an external power source and operate in all-electric mode for limited distances.

Powertrain
The complete set of components that generate power and deliver it to the wheels, including the engine or motor, transmission, and drivetrain.

Range-Extended Electric Vehicle (REEV)
Primarily an electric vehicle, but with a small ICE used as a generator to recharge the battery and extend range.

Total Cost of Ownership (TCO)
The overall cost of operating a vehicle over its lifetime, including purchase price, fuel/energy, maintenance, insurance, and depreciation.

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