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EVs Sales Are Expected To Achieve Half Of The Auto Market By 2030

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Automotive executives think that more than 50% of car sales will be electric by 2030. This aligns with Vice President Joe Biden's goal, and incentives like the \$374 billion US climate spending package.

The incentives are a major factor in small businesses making large purchases. The latest example is the Inflation Reduction Act (IRA) which happened in August. Prior to this, projections of electric vehicle sales by 2030 had been at 43% of the US market. With this new tax credit in place, these projections have now increased to 52%.

The recent estimate is that by the end of the decade, 50% of all cars sold in the US will be electric, hybrid, or powered by fuel cells.

The Inflation Reduction Act is expected to have a major effect on the number of Americans driving electric vehicles.

Electric vehicles only accounted for less than 5% of automobile sales in the US as of 2021. They are growing rapidly, but they are lagging behind combustion engine vehicle sales, different from countries like China, which accounts for 24%, and Norway where electric overtook combustion engine car sales. Under our forecast, the US will surpass the global average in 2026 instead of 2028.

But for many American consumers, access to a charging station remains challenging. The majority of executives KPMG surveyed expect charge time for an EV to be under 30 minutes and the majority of executives would like to have quick charge stations available throughout their city.

Tesla, GM, and Ford are set to benefit most from the new tariffs on imported vehicles. The bill was designed with help from Senator Joe Manchin, who insisted that the full \$7,500 credit only be awarded to cars made in North America.

Analysts believe these rules will take some time to be fully adjusted to, particularly as automakers contend with expensive minerals and batteries. But that challenge is expected to get easier over time and result in more affordable electric cars.

