

How increased range will help drive electrification...and other EV trends

The year 2024 is shaping up to be yet another pivotal period for the automotive industry, both globally and right here in South Africa. Indeed, with the widespread supply and logistics constraints of the Covid era largely behind us, we're already seeing a renewed focus on the shift towards electrification in world markets.

 By [Greg Maruszewski](#) 16 Jan 2024



Greg Maruszewski, managing director at Volvo Car South Africa | image supplied

While the figurative practice of peering into a crystal ball is hardly an exact science, a few interesting – and particularly significant – automotive trends have already started to emerge. Considering the direction of the industry worldwide, it should come as no surprise that the majority of short- to medium-term movements in the industry will be centred around battery-powered vehicles.

Steady increase in single-charge range for EVs

As the efficiency of the average battery pack continues to improve – supplemented by enhancements in areas such as vehicle aerodynamics and low-rolling-resistance tyre technology – the typical electric vehicle (EV) is in line to benefit from steady increase in single-charge range. This is a particularly consequential point because, in terms of the broader public perception, range anxiety remains one of the most significant stumbling blocks to the widespread adoption of EVs.

As an example, current versions of some of Volvo's most popular compact fully electric cars already boast a generous single-charge range of around 500 km. However, we should see a periodic increase in this number as technology continues to develop – not limited to a single manufacturer but rather as a trend across the industry – which suggests an EV with a single-charge range on the far side of 700 km (or even 800 km) by, say, 2027 or 2028 is by no means out of the question.

A similar trend could emerge when it comes to charging speed, though perhaps to a lesser extent. Charging-speed improvements – while certainly welcomed by customers – are somewhat less pronounced in their impact on purchasing behaviour. This is because most EV owners do the bulk of their charging overnight at home rather than relying on public fast chargers. As an aside, this is also why load-shedding is a relative non-event for most local EV owners; a potential two-hour outage has little effect when the car is plugged in for an entire night.

On a closely related note, we should also see plug-in hybrid electric vehicles (PHEVs) gaining more and more market acceptance in South Africa, with this powertrain configuration positioned as the ideal stepping stone to full EV ownership. Indeed, PHEV buyers quickly work out that they're often able to complete their daily commute on electricity alone, with the combustion engine seldom called upon.

Introduction of more affordable EVs locally and globally

As global markets shift towards large-scale electrification and the production of EVs continues to ramp up, economies of scale dictate that more attainable battery-powered vehicles will be on offer. From a local perspective, the imminent launch of the new EX30 on our shores will not only cement Volvo Car South Africa's already formidable presence in the fast-growing new-energy vehicle space but also significantly enhance accessibility to EVs for many South Africans.

While we worked hard to bring in this highly anticipated new electric car at an extremely competitive price point in spite of lofty import duties applied to EVs, it's worth keeping in mind Finance Minister, Enoch Godongwana is expected to announce tax and expenditure measures to support the automotive sector's electrification transition in February's 2024 Budget Speech. These details could, of course, prove pivotal in the quest for more affordable electric cars.

More ways to get behind the wheel of a new car

Generally speaking, local consumers will also begin to benefit from more choice when it comes to methods of securing a new vehicle. As opposed to outright purchasing, vehicle leasing remains an interesting concept (though a largely foreign one to most South Africans), while financing options will continue to evolve. More bespoke finance packages are becoming available, while guaranteed future value (GFV) deals look set to grow in popularity.

Online sales will likewise continue to gain traction, though keep in mind that – in practical terms – a digital car-sales platform still requires a dedicated, parallel dealer network. We thus see a hybrid approach unfolding in this space, in which customers will still visit physical dealerships – where they can experience a given vehicle in the metal (not to mention return for servicing requirements) – before perhaps completing the purchase online.

Other potential short-term shifts in the automotive landscape include a zooming in on sustainability in global vehicle manufacturing, gradual gains in local charging infrastructure and the continued evolution of the shape of the automobile (thanks to the proliferation of bespoke EV platforms and a stronger focus on the importance of drag co-efficiencies).

Ultimately, the most significant short- and medium-term trends in the automotive industry will undoubtedly be centred on electrification. The future is very much electric, after all.

ABOUT GREG MARUSZEWSKI

Over the past 20 years at Volvo, Maruszewski challenged conventions and managed to pave a journey for Volvo to showcase its innovation. He is a man of vision who is always looking for ways to move with times and that fits well with what Volvo stands for.
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