

## Electric vehicles

### EV ownership at 'tipping point' in many parts of the world, experts say

Data shows momentum shift under way in Europe and emerging markets

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Electric vehicle ownership has reached a "tipping point" that signals an irreversible shift away from petrol cars, not only in China but parts of south-east Asia and Europe despite stalling in the US, expert research finds.

[EVs](#) accounted for a quarter of new car sales globally in 2025 and the pace of growth has continued into the first quarter of 2026.

While Chinese domestic sales fell in the first quarter of 2026 as rebates expired, the rise of Chinese exports elsewhere continued and demand in populous countries such as South Korea and Brazil also surged.

In the EU, the rise in fuel prices sparked by the Middle East conflict boosted the uptake of EVs for the month of March by 49 per cent, the figures show,

In some south-east Asian countries, demand was also stoked further. In Singapore, EVs accounted for 56 per cent of sales in the first two months of the year. In Thailand, they made up 28 per cent of sales between January and March, and 21 per cent in Indonesia.

In other notable markets, the share of new sales was 18 per cent in Turkey and 30 per cent in Uruguay, according to government and industry data.

Such markets account for a small share of global [car](#) sales but are where big growth is expected in the future as consumers become richer.

Shifting to cleaner forms of transport is crucial to global targets to tackle climate change as it is the second-largest source of greenhouse gas emissions.

“Transport will be electrified . . . but it’s really a question of how fast. That’s not to say that it won’t still be a bumpy road,” said Euan Graham, electricity and data analyst at Ember.

A paper published in Nature Communications from Exeter university and a World Bank economist said an EVs tipping point — or threshold at which a change or an effect cannot be stopped — was “self-propelling” and less contingent on future public policy decisions.

The reversal in US climate policy and a slower than expected shift in some parts of Europe has forced many western carmakers to redraw their EV strategy, costing them more than \$75bn to scrap fully electric models and reinvest in hybrid models.

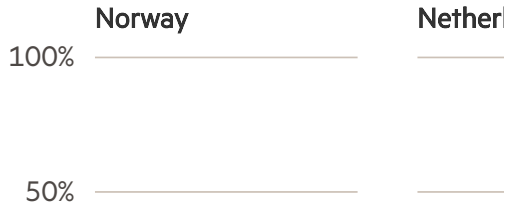
Still, following an analysis of next-generation battery cells from CATL, Tesla and General Motors, investment bank UBS has concluded that EVs were closing the gap with traditional cars across cost, range and charging time, nearing what it called “triple parity”.

“Even in markets that have rather adverse politics or regulation against EVs, you’re not going to stop innovation at the end of the day,” said UBS analyst Patrick Hummel.

# EVs are dominating new car sales in some countries, while others are slower to transition

Monthly share of new car sales by type in selected markets

Battery electric  Plug-in hybrid  Non plug-in hybrid  ICE  Ethanol  Other



Source: Government and industry data compiled by Robbie Andrews, Cicero Center for International Climate Research • Vehicle classifications may vary by country. For example, in China and the Netherlands, non plug-in hybrids are included within ICE figures.

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“That’s why we are confident that medium to long term, EVs are going to accelerate everywhere and also reaccelerate in the US,” he added.

UBS expects the global share of EVs, plug-in hybrids and extended-range EVs — with a small engine to recharge the battery — to rise to 58 per cent in 2035 from 23 per cent in 2025.

# EV costs are forecast to drop below current internal combustion vehicle prices in major markets

Cost of **internal combustion vehicles**\* and projected cost of **electric vehicles**, by market, \$000s

 Purchase price  Ownership costs

Car model type: Economic Medium Luxury



Source: [Mercure et al 2026](#) • \*2022 prices

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The Exeter university paper, which looked at global sales from 2016-2023, found sales of traditional cars had begun to decline from about 2019.

At the same time, EV sales had increased exponentially across the 32 countries examined, with the global fleet of electric and hybrid vehicles doubling every 1.5 years. Sales in the EU had doubled every 1.3 years, while in China this figure was every year.

When China removed significant subsidies for EVs shortly before the Covid-19 pandemic, the market slowed temporarily but then “rapidly kicked off again”, said Tim Lenton, a climate scientist and expert on tipping points at Exeter. He said he was confident the Chinese market was no longer reliant on government incentives to drive long term demand.

## In China most EVs are cheaper than comparable combustion cars, while in Germany, the UK and the US they are more expensive

Battery-electric vehicle price premium over combustion cars, by car type, 2024 (%)

Small  Medium  Large  SUV

Source: BloombergNEF

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Other experts have questioned the strength of continued underlying consumer demand for EVs. Following Beijing's rollback of support for the EV industry, sales of new EVs fell 21 per cent in China during the first quarter this year, according to Benchmark Mineral Intelligence.

In Europe, EV subsidies and leasing support remain available — with some revived to boost demand — in countries including Germany, Italy, France and the UK, along with discounts offered by carmakers to meet regulatory targets.

In the UK, EV sales reached a new record in March with their share reaching 23 per cent of the new car market. The new EVs are now on average cheaper than petrol cars on the back of discounts offered by the government and carmakers, according to online marketplace Auto Trader.

“We are getting close to 25 per cent [EV penetration in the UK] but that's a forced market,” said Mike Hawes, chief executive of the Society of Motor Manufacturers and Traders, pointing to £10bn in EV discounts the industry has spent over the past two years.

“Much of March's performance will be from orders placed before the start of the Iran conflict, which threatens to raise the cost of living, undermining consumer confidence,” he added.

Many drivers in emerging markets were not conscious of emissions savings, and were buying EVs mainly because they wanted “modernisation”, said Monica Araya, an independent green transport adviser, while their governments primarily want to reduce reliance on imported fuel.

Emerging markets were driving growth in Chinese EV exports, green think-tank Ember said, but countries such as Indonesia and Vietnam were also building out their own EV capacity.

In Europe, sales of EVs surged by about a third in the first quarter to account for 19 per cent of EU new car sales. Battery-powered models on the continent briefly [outsold petrol cars](#) for the first time in December.

Penetration varies significantly by country, with EVs accounting for 98 per cent of new car sales in Norway but only 8-9 per cent in Spain and Italy, according to European car industry body Acea.

## Rapid public EV charging undercuts gasoline in China, but not in Europe or the US

Relative cost compared with petrol

Europe  US  China

Residential electricity



Source: BloombergNEF

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David Hilbert, market director at Kia Europe, said: “It’s going to take time for those markets to catch up with those Nordic first movers into EV . . . so I don’t think we’ve hit a tipping point.”

However, Fiona Howarth, founder of UK-based Octopus Electric Vehicles, which provides electric car leasing, countered that longer-range EVs, falling prices and lower operating costs were shifting buyer behaviour “in a way that’s hard to unwind”. “Those are early signs of a market crossing a tipping point.”

Despite policy uncertainty and tariffs, Chinese carmakers have also rapidly pushed into European and other developed markets, such as Australia, by building a dealership network.

“You only have to go out on the streets [of some major capitals] to see the number of BYDs and other Chinese models, and the consumers are rushing to consume them,” said Exeter’s Lenton.

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