

# How three high-tech nations became EV laggards

**Bloomberg**

Japan meets all the conditions that should make it a frontrunner in electric vehicles: above-average incomes, a robust auto industry, high rates of new-car purchases and a culture that generally embraces technology. Instead, electric vehicles made up a measly 1.8 per cent of new cars sold in Japan last year.

Last week, *Bloomberg Green* published an analysis of the 31 countries that have crossed the tipping point for widespread adoption of fully EVs. Now it's time to look at the bottlenecks — the countries that aren't as far along the adoption curve as one might expect.

The EV laggards come in several flavours. The US and South Korea, for example, are a category unto themselves for maintaining a relatively slow pace of EV growth even after EVs surpassed 5 per cent of new vehicle sales, which has otherwise been a consistent tipping point for accelerating



**HYDROGEN BET.** Japan's slow adoption of EVs traces back to a bet made a decade ago by Tokyo technocrats and Japanese automakers to invest in hydrogen fuel-cell technology REUTERS

sales. We'll get to them in a bit.

Then there's Latin America, which EV manufacturers have largely ignored and where not a single country has reached the critical 5 per cent threshold. Despite their middling incomes, Chile, Argentina, Brazil and Mexico should be nearing that point already, according to a *Bloomberg Green* analysis of conditions favourable to EV adoption. They aren't.

But of all the places in the world where EVs should have found a perfect match — but

didn't — it's Japan that comes out on top, according to the analysis. It is the one true laggard.

Japan's recalcitrance hasn't gone unnoticed by the world's largest EV maker.

Japan's slow adoption of EVs traces back to a bet made a decade ago by Tokyo technocrats and Japanese automakers to invest heavily in hydrogen fuel-cell technology. Toyota Motor Corp, the world's largest carmaker, has since been a frequent EV sceptic, funding misleading advert-

isements and lobbying against government policies that promote them around the world.

Japan's dreams of leading a fuel-cell revolution haven't materialised and now it's waking up to an automotive transformation that's passing them by, says BloombergNEF analyst Corey Cantor.

Unlike Japan, South Korea's foray into EVs has come with strong backing from its automotive supply chain. Hyundai Motor Group and Kia Corp. are making some of the most competitive long-range EVs in the world, and South Korea is home to three of the world's five biggest battery makers: LG Energy Solution, Samsung SDI and SK On.

Like South Korea, the US has fallen behind the rapid-growth "tipping point" trajectory. Even though sales of fully electric vehicles were up about 50 per cent last year, making up more than 8 per cent of new car sales in the fourth quarter, the trend has been slower than the 20 countries that came before the US.

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