



BRIEFING - [November 2025]

**BEVs are the greatest
growth opportunity for
carmakers today**

Summary

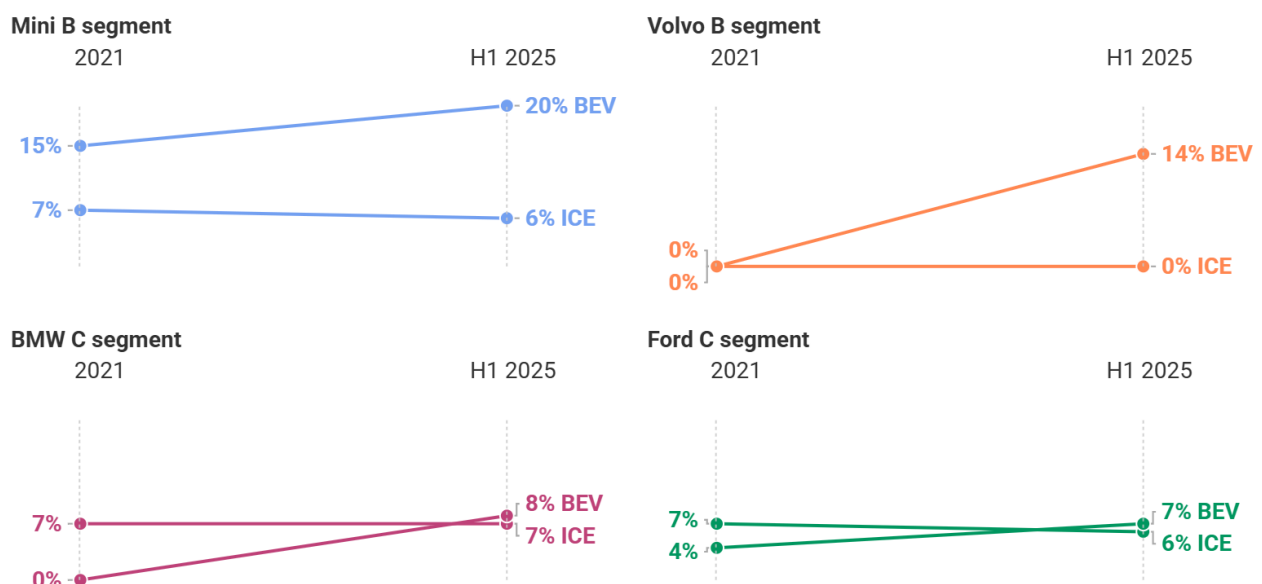
With the right strategy, BEVs are the greatest growth opportunity for carmakers today

T&E analysis of segment level internal combustion engine (ICE) vehicle market share, between carmakers, shows the market has been largely static since 2021. Suggesting that business growth by outcompeting competitors with new, better ICE models is difficult and success limited.

The BEV market, by contrast, is highly dynamic with carmakers rapidly gaining BEV market share against competitors. This represents a large growth opportunity for those carmakers who invest early and build market share in the 2020s. For example, Mini has maintained a relatively constant 6-7% share of the B segment ICE market over the last 5 years but has managed to grow their B segment BEV market share to 20% in 2025, having only released their first BEV in 2020. After 2030, when BEV sales share has reached in excess of 80%, the dynamics of the market will shift to become more static and it will be difficult for carmakers lagging in the transition to make headway against those carmakers who have gained a leading position early.

The BEV transition offers growth opportunities to companies with an effective strategy

The percentage market share change between 2021 and 2025 shows how it is possible to grow market share in the BEV market in a way that is not possible for ICE vehicles



Source: T&E analysis of DataForce sales data. ICE data includes petrol, diesel, hybrid and plug-in hybrid vehicles



European carmakers can compete with Chinese brands

As well as being a growth opportunity, investing in BEVs is crucial for carmakers to maintain not just UK but also global market share. Chinese carmakers are coming into the UK, EU and global markets at scale, offering BEVs that are competitively priced and well-equipped, challenging incumbents. Many markets are also transitioning faster than the UK, China is at [30% BEV share, Vietnam at 42% and Thailand at 24%](#) meaning that UK and EU carmakers have to move fast in the transition if they hope to lock in leadership in the future automotive market and maintain global market share.

When Chinese models arrive ahead of UK or EU models of a similar price/spec they sell very well. For example, the MG 4 gained 54% of the UK small/affordable car market within 2 years of entering the market due to offering an attractive model at an attractive starting price of [£26,000](#) when launched, with no competition. When unchallenged, this risks Chinese cars displacing UK or EU made models, undermining UK automotive manufacturing and associated supply chains which span the continent.

However, it is possible for UK and EU carmakers to gain back some of the lost market share when they follow into the market quickly and offer attractive BEV models at competitive prices. This has been successful in the UK sub- £30,000 market where Chinese made models have been followed 1-2 years later by UK and EU models. Non-Chinese carmakers have gained back 22% market share in the UK affordable A-C segments in H1 2025 after 7 new models, such as the Renault 5 and Ford Puma, were launched. However, due to first mover advantage Chinese models still have a major share of this, indicating that gaining market share back requires carmakers to move very quickly and takes time.

If UK and EU carmakers want to gain market share now is not the time to delay. Strong BEV sales of 21% year to date, growing from 19% last year, show a growing BEV market with strong consumer demand. According to [Persuasion UK](#), 58% of consumers think their next car will definitely or probably be a BEV. This demonstrates that consumer demand already exceeds what is required in the ZEV mandate, with targets for 2025 and 2026 set at 28% and 33%.

To capture this consumer interest carmakers must have an effective transition strategy. T&E's analysis suggests that crucial to an effective strategy are BEV models which are competitively priced, are spread across segments, have up-to-date technology and are well timed to not leave gaps between models. Carmakers who are doing this well have been rewarded with BEV sales in excess of the mandate. To support an effective transition for UK carmakers, the following policies are crucial:

Policy Recommendations

1

Maintain the current 2030 target and 2035 phase-out dates for ICE and hybrid cars. Without strong UK targets, UK manufacturers risk delaying new BEV models, losing UK and global market share, as well as missing out on the growth opportunities electrification brings. A strong regulatory roadmap is crucial for attracting BEV and supply chain investments into the UK and ensuring the UK automotive industry stays competitive through the transition.

2

Update taxation for PHEVs to reflect real world use. Due to flexibilities introduced in the ZEV mandate earlier this year, PHEV sales, which had been expected to peak in [2025 at 180,000 sales, could now peak in 2028 at 280,000](#). As real world PHEV emissions are 4.9 times higher than official figures this will not deliver the expected emission savings and will divert volume and investment from BEVs. To ensure that BEVs can compete fairly alongside PHEVs, it is crucial that the under taxation of PHEVs, due to unrealistic assumptions on the share of electric driving, is fixed without delay. For more information, see [Plug-in hybrids pollute like petrol cars – and leave drivers paying more](#)

3

An effective industrial strategy for the automotive sector is crucial to ensuring that UK manufacturing succeeds through the transition. The EU already has an automotive action plan with strong policy measures to support the EU automotive sector through the transition, now it is time for the UK to do the same. This should include measures to on-shore the BEV supply chain in the UK including manufacturing support, incentives for local manufacturing, recycling targets and measures to level the playing field where unfair competition exists.

Introduction

This briefing analyses UK car sales data from DataForce for the period 2021 and H1 2025. The briefing looks at carmakers' progress towards the ZEV Mandate targets and the impact of carmakers' transition strategy on their success in the UK zero-emission vehicle market.

There is strong consumer demand for electric cars

Increasing mandate targets are pushing carmakers to offer a greater variety of BEV models at ever more affordable prices. The sub- £30k BEV market has grown by over 50% in terms of models and sales between 2021 and 2025 from 11 to 17 models.

The impact is that across the UK, the level of ambition proposed by the ZEV mandate matches consumer demand for cleaner vehicles. This is demonstrated by carmakers meeting the 2024 and 2025 targets (based on H1 2025 data), without collectively needing to borrow credits from future years or use ICEV credits or borrowing in excess of the limits as set in the original ZEV mandate policy before changes were introduced earlier in 2025.

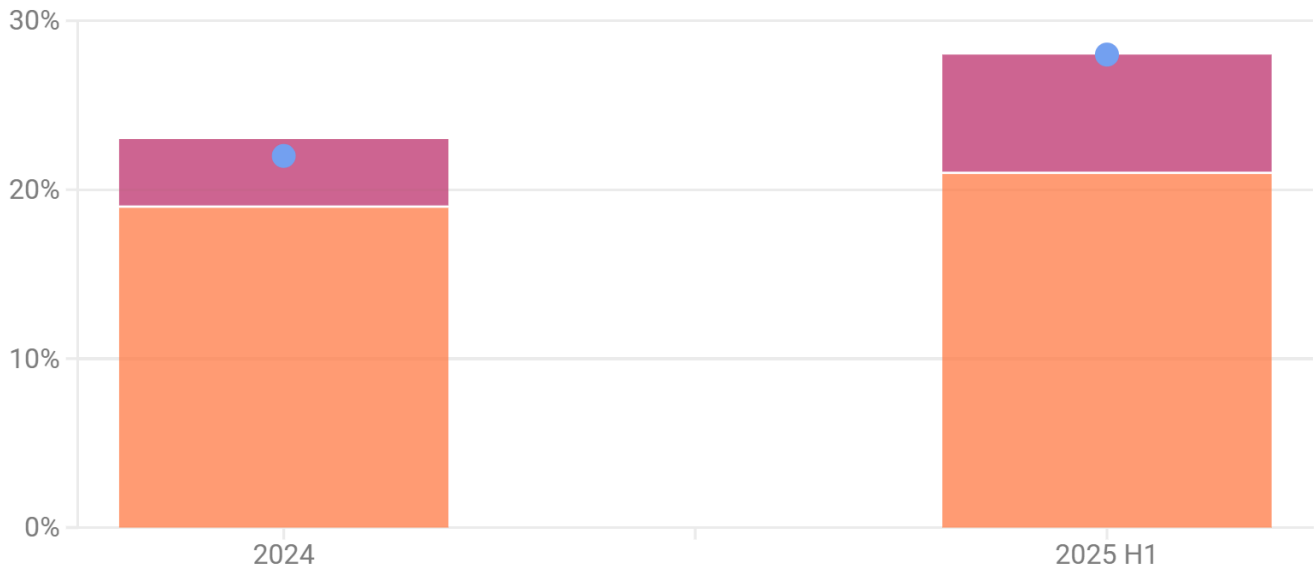
In 2024, carmakers exceeded the 22% target with 19% BEV sales and 4% ICEV credits¹. In 2025, carmakers are again on track for the 28% target with 21% BEV sales and 7% ICEV credits. The willingness of consumers to buy BEVs when carmakers offer them the right products, at the right price and at the right volumes to satisfy demand is evidenced by BEV sales in August, which reached [26.7%](#).

¹ For further information on the different compliance options used by carmakers in 2024 see: [Car industry complied with UK ZEV mandate last year](#)

The market has responded positively to the mandate with car makers growing BEV share through an ever-improving product line-up

● ZEV Mandate Target ● BEV sales ● ICEV credits

Percentage share of total car sales (%)



Source: T&E analysis of DataForce sales data



Consumer demand exceeds ZEV mandate targets when carmakers offer the right BEV products

According to [Persuasion UK](#), 58% of consumers looking to buy a new car in the next couple of years already think their next car will definitely or probably be a BEV. This demonstrates that consumer demand for BEVs already exceeds what is required through the ZEV mandate, with targets for 2025 and 2026 set at 28% and 33% respectively.

As consumers transition to electric cars, carmakers cannot assume that they will maintain their current market share and loyal customer base if they don't offer an attractive line up of electric cars across size segments and keep pace with new entrants such as Tesla and Chinese carmakers such as BYD.

Analysis of leaders and laggards in UK BEV sales data between 2021 and H1 2025 suggests that success in the BEV transition requires carmakers to offer:

- BEVs that are competitively priced for the segment/ target audience versus ICE vehicles.
- BEV models across all the different size and price bands in which they offer ICE cars.
- Regular model refreshes and model updates to keep up with the fast pace of battery innovation, charging speed and software improvements.

- A well-planned strategy that times the introduction of new models to the retirement of old models with no gaps.

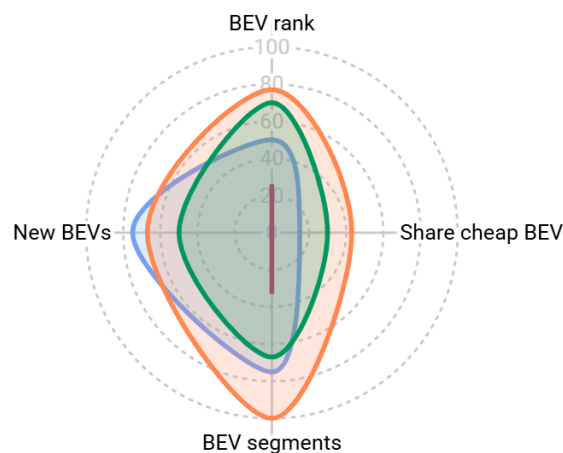
The figure below compares leaders (Mini, Renault), mid-range carmakers (Ford) and laggards (Nissan) across these transition requirements; in each case, a low score (scoring towards the center of the chart) means a carmaker is not doing well, and a high score (scoring towards the outside of the chart) means a carmaker is performing well. This chart shows that carmakers at the top of the BEV rankings (top) score highly for the share of affordable BEVs they sell (right), the number of ICE segments in which they also offer a BEV (down) and the number of new BEV models they have released in the last two years (left).

Looking at the data in this way, it is clear that carmakers with an effective strategy on price, model coverage and innovation are leading the BEV race. Those who have historically lacked a good strategy, such as Nissan, have fallen behind, but as we will show later in this section, it is not too late for Nissan to turn things around with a long list of new models planned for the next two years.

A good transition strategy that leads to a strong model line up is the key to driving high BEV sales

Carmakers with a high score in the BEV rankings (top) also score highly for the share of affordable BEVs they sell (right), the number of ICE segments in which they also offer a BEV (down) and the number of new BEV models they have released in the last two years (left)

■ Ford ■ Mini ■ Nissan ■ Renault



BEV Rank = OEM % BEV sales ranked (100=top BEV seller). Share cheap BEV = share of BEV sales from models under 30k. BEV segments = Share of ICE segments covered by BEV models. New BEV = Share of BEV models released in the last 2 years Source: T&E analysis of DataForce sales data

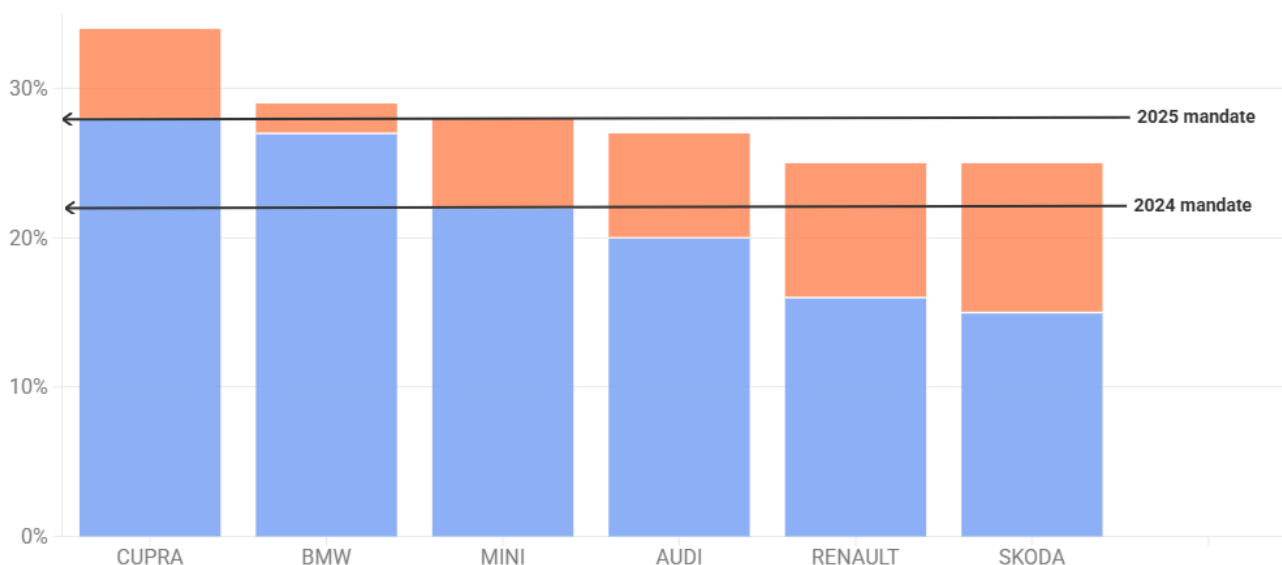


Many legacy carmakers such as Renault, BMW, Mini, Audi, Cupra and Skoda are performing well across these transition requirements. Demonstrating that the BEV transition can be successfully managed by a legacy carmaker if they have a coherent strategy in place. Already in H1 all these carmakers are performing in excess of the 2024 ZEV mandate targets with both Cupra and BMW exceeding the 2025 target, with the mini brand individually also reaching the target. It is expected that Audi, Renault and Skoda meet the 2025 ZEV mandate target as carmakers accelerate EV sales in H2 as was seen last year.

Car makers with an effective strategy are on track to meet the ZEV mandate with the limited flexibilities allowed in the original policy

■ 2024 ■ 2025 H1

BEV share of total annual car sales (%)



Source: T&E analysis of DataForce sales data



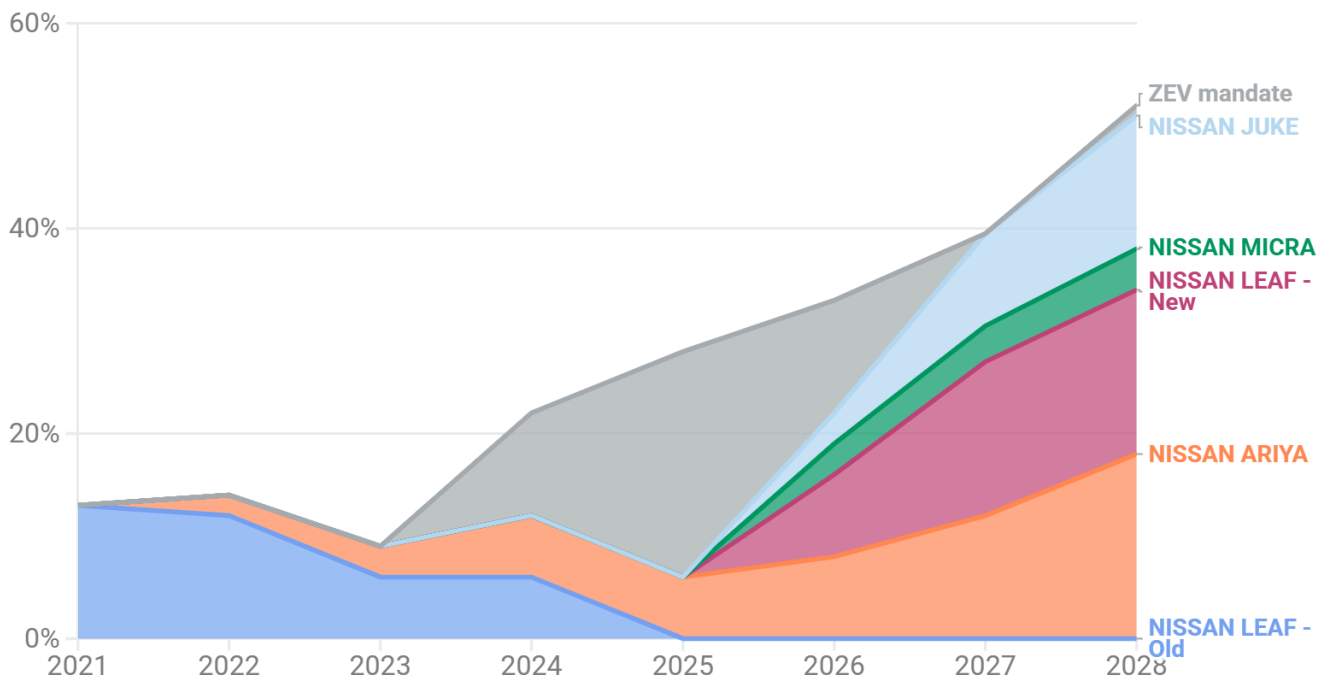
Carmakers without an effective transition strategy suffer from lower than average BEV sales. Nissan, for example, kept the old Nissan Leaf, launched in 2017, in production for 7 years, long after an update was needed. It also left a 2-year gap between the old Leaf model being taken out of production and the new electric Leaf entering the market and has been slow to offer multiple BEV models across vehicle sizes and price bands. In 2025, Nissan has just 1 electric model on sale, covering just the compact SUV segment, compared to e.g. Mini, which offers more BEV models than ICE models.

This has resulted in low BEV sales share for Nissan in 2024 and H1 2025 of 12% and 4% respectively. Sales dropped in 2025 due to the Leaf stopping production in spring 2024 and most of the remaining stock selling in 2024. However, while Nissan has been running behind, they can quickly catch up with a long list of competitive new models coming to market in 2026 and 2027. As demonstrated by the figure below, the new Leaf, Micra and Juke BEVs launching in 2026 and 2027 could quickly bring Nissan back on track with the mandate. This is because their recent decline in BEV sales is driven by a lack of product on offer, not consumer interest,

which has always been very strong for Nissan cars produced in the UK, as demonstrated by the Nissan Qashqai and Nissan Juke being the third and fifth best selling cars in the UK in 2025 to date.

Nissan can comply with the ZEV mandate by rolling out the new models already planned

Share of total annual sales (%)



Source: T&E analysis of DataForce sales data and GlobalData production forecasts



A similar resurgence is possible for all carmakers. For example, in 2023 only 2% of Ford's sales were BEV as the only model they offered was the Ford Mustang Mach-E, released in 2021 into the very competitive medium SUV market. Since then, Ford has released the Explorer, Capri and Puma, which has extended their offering across the compact and small SUV markets and increased the competitiveness of their price offering, which now ranges from the Mustang at just over £40,000 to the Puma at just over £26,000. This strategy has boosted BEV sales to over [20%](#) by Q3 2025.

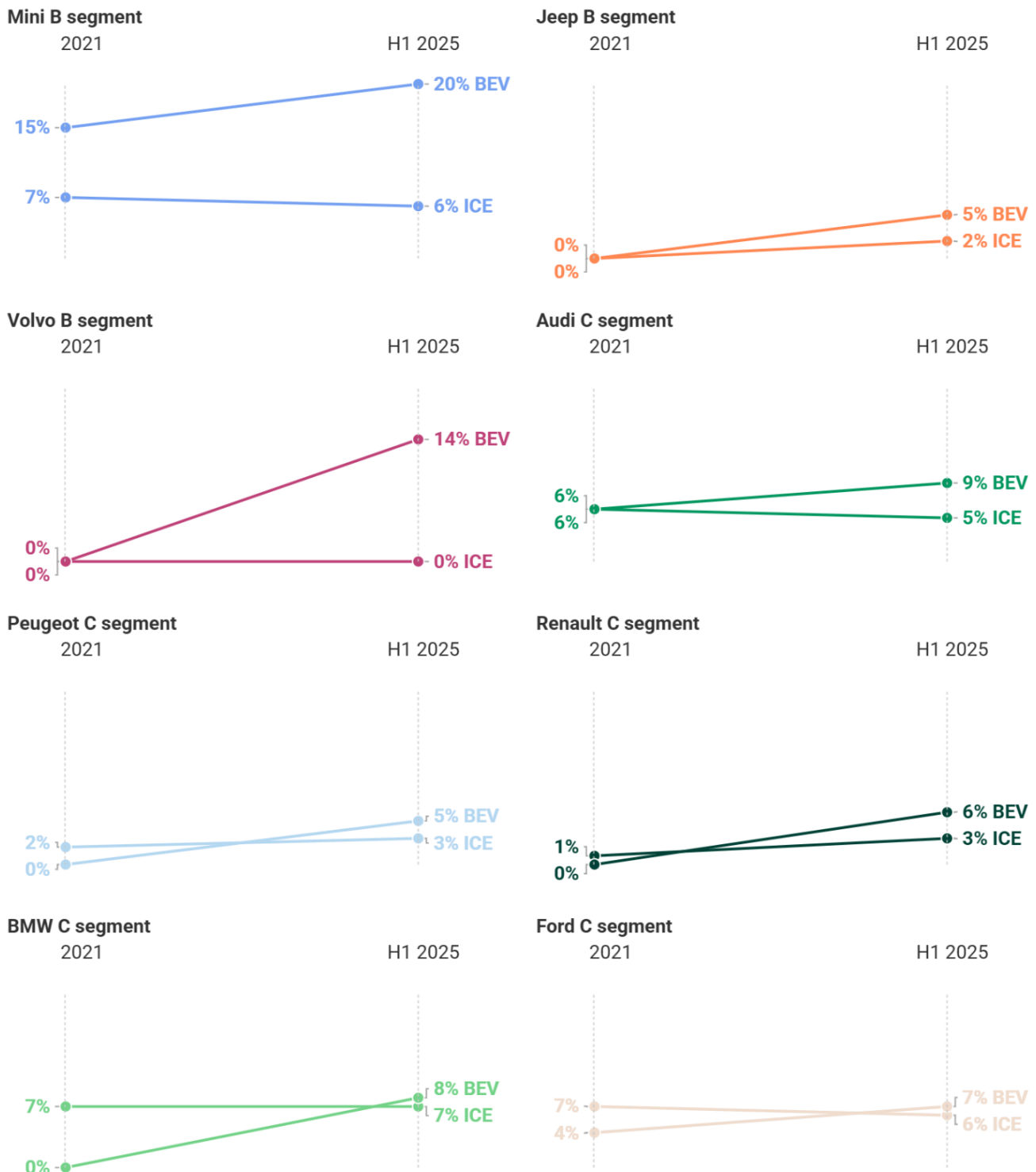
BEV are the greatest growth opportunity for carmakers today

Market share within a segment is traditionally very static. For example, in our analysis of 2021-2025 data across the mass market vehicle sizes from segment A-D, no European carmakers have managed to grow their market share of ICE vehicles more than 1 or 2% against competitors without a competitor ending a model and not replacing it.

The BEV market, however, offers a new opportunity for carmakers to grow. This is most clearly demonstrated by Tesla who have built a multi-billion dollar company from scratch by growing into a new market ahead of the competition. Legacy carmakers can do the same. The figure below shows a subsection of the cases where carmakers have struggled to grow their market share for ICE cars against competitors but are succeeding in growing market share with BEVs because they had the right product strategy and were early entrants into the market.

The BEV transition offers growth opportunities to companies with an effective strategy

The percentage market share change between 2021 and 2025 shows how it is possible to grow market share in the BEV market in a way that is not possible for ICE vehicles



Source: T&E analysis of DataForce sales data. ICE data includes petrol, diesel, hybrid and plug-in hybrid vehicles



After 2030, when UK car sales reach over 80% ZEV, the opportunity to capture additional market share will be limited, resembling the more static ICE market. It is therefore crucial that UK carmakers seize the opportunity to gain market share and dominate the EV market now if they hope to succeed through the transition. Delay risks loss of market leadership and leaves the door open for competitors to gain market share and dominance, including Chinese brands, which have developed highly competitive models in all market segments.

UK and EU carmakers can compete with Chinese brands

Chinese carmakers are coming into the UK and EU at scale, offering BEVs that are competitively priced and well-equipped. Chinese carmakers' success has been driven by early investment in BEVs and a broad market offering, with BEVs being produced to fill all market segments, from small to large and basic to premium. This is further helped by not being hindered by the drive to protect existing petrol and diesel production.

Largely, until last year, European carmakers have avoided producing smaller, cheaper BEVs as these vehicles have lower profit margins than the large premium SUVs, which European carmakers have focused on electrifying first. This lack of investment left the door open for MG, part of the Chinese group SAIC, to bring the C-segment MG 4, similar in size to the Nissan Leaf or Vauxhall Astra, to market and gain significant market share from European carmakers.

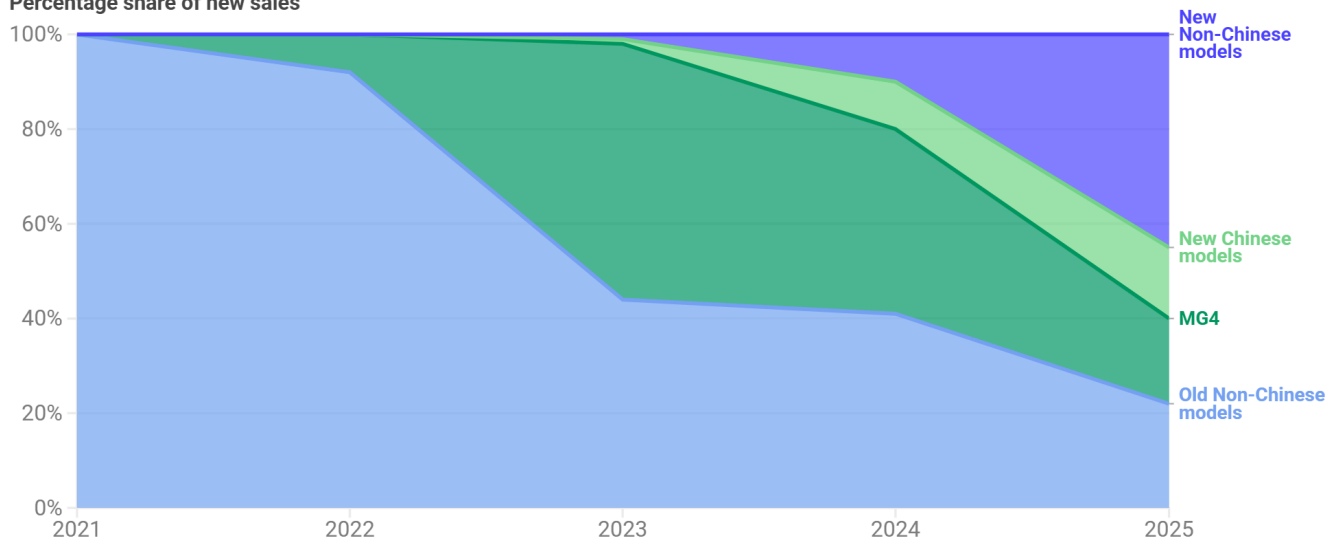
Moves such as this prompted concern that Chinese-made BEVs would displace UK and EU made models. For example, sales of the MG 4 in the UK rose quickly to represent 54% of small/medium, affordable BEV sales in 2023, having been 0% of sales two years earlier in 2021. However, the lack of affordable European models [was not due to UK and EU carmakers not being able to produce smaller, cheaper BEVs](#), but rather that until the MG 4 came along, they had little competitive drive to do so.

Since the MG 4's success and the growth in small and medium sized Chinese EVs being exported to Europe, European carmakers have responded with new, smaller, competitively priced models, which have eaten into Chinese carmakers' market share in the mass market A to C segment. This has resulted in Chinese carmakers' market share dropping back down to 33% in the first half of 2025, see the green segments in the chart below. This trend is continuing through 2025, with key new models such as the Ford Puma and Renault 5 reaching showrooms in greater volumes. This has pushed up sales for these carmakers, [Ford reached 34% BEV sales and Renault 49% BEV sales in October 2025](#), and continued to put pressure on Chinese models such as the MG4, which has lost further sales share.

European carmakers can win back market share from Chinese competitors

Trends in the sub- £30k small and medium vehicle market show how the MG4 sparked price competition in a wave of new models

Percentage share of new sales



Source: T&E analysis of DataForce sales data

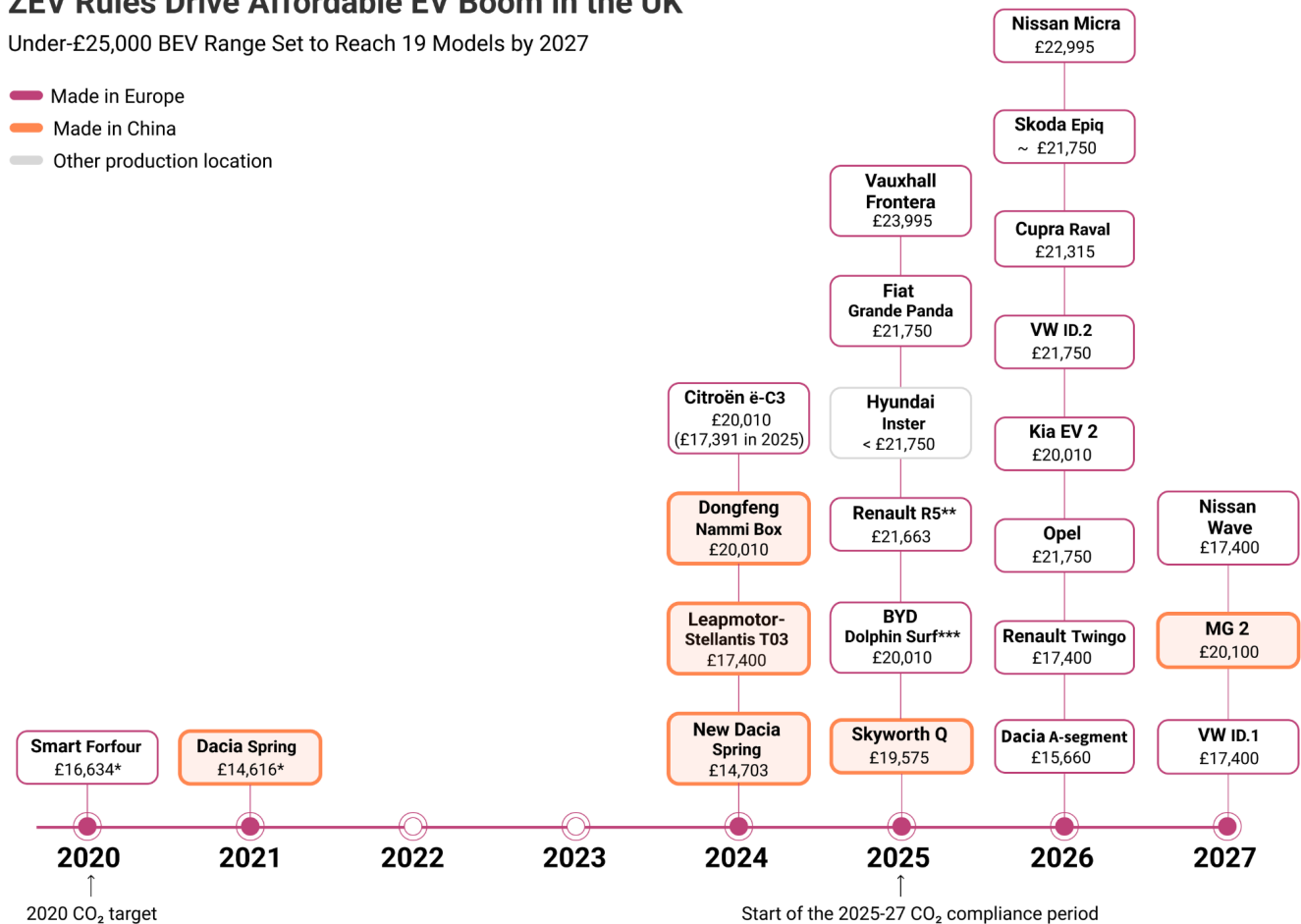


The competition for the sub- £30k market has played out over the last 4 years as battery prices have fallen. In the next four years, as battery prices continue to fall by an expected [46% between 2025 and 2030](#), a similar competition is expected in the sub- £25k market. As shown in the figure below Chinese made sub- £25k models will arrive first, and will likely gain market share, but European made models are following close behind, including the new Nissan Micra. This will ensure that UK and EU carmakers continue to compete and make up a major share of cars purchased in the future in these segments.

ZEV Rules Drive Affordable EV Boom in the UK

Under-£25,000 BEV Range Set to Reach 19 Models by 2027

- Made in Europe
- Made in China
- Other production location



Updated in May 2025 based on the latest announcements for models produced in Europe. The dates refer to official launch dates, while production generally ramps up to mass volume the following year. *Launch price in 2020 and 2021 Euros. **The R5 base model was launched in 2025 while more expensive variants were available from 2024. Source: press articles. *** Some volumes are expected to come from China in 2025. UK prices of 2024–2025 entry-level launches sourced from manufacturers' UK websites (as of 02/09/2025). Future model prices converted from EU announcements using the 02/09/2025 exchange rate of 0.87



Conclusion

The ZEV Mandate has so far been very successful, encouraging carmakers to invest and innovate to bring an ever-wider range of BEV models to market, at increasingly competitive prices. The ZEV mandate has already attracted £23 billion in announced EV and battery manufacturing investments in the UK, over the last three years, as well as a commitment by the charging industry to invest £6 billion in charging infrastructure by 2030. Without these policies, UK carmakers will delay models and reduce their research and manufacturing investments. This will have a severe impact on local jobs and economic growth, as the BEV transition is a rare opportunity for carmakers to grow market share and sales against competitors.

Making the most of this growth opportunity requires carmakers to put in place an effective transition strategy, which ensures BEV models are competitively priced, spread across segments, have up-to-date technology and are well timed to not leave gaps between models. Carmakers who are doing this well have been rewarded with BEV sales and an opportunity to grow their business against rivals.

Some commentators fear that the growth opportunity presented by BEVs will all go to Chinese carmakers. However, the evidence to date shows that UK and EU carmakers can respond with competitive products when the Chinese competition arrives and they are forced to respond. However, responding to Chinese models rather than jumping ahead and taking the first mover advantage opens UK and EU carmakers up to great risk, as if they cannot move quickly to respond every time they will lose market share.

Further information

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