

Understanding the EV market

by Andre Ynouye

The Market

According to CNBC, "The global electric vehicle market is heating up, and China wants to dominate. It has invested at least \$60 billion to support the EV industry and it's pushing an ambitious plan to transition to all-electric. [...] China sold roughly 1 million more EVs than the U.S. in 2020, according to EV Volumes. But there are signs that U.S. is getting more serious about going electric. President Joe Biden announced a goal to reach net-zero emissions by 2050 and [plans to make] investments in green infrastructure,".

Once considered a tiny niche, the electric vehicle sector is surging like no other. With a looming climate crisis on the horizon, the adoption of electric cars can be noticed worldwide. Electric vehicle sales, both in the U.S. and globally, are increasing on a percentage basis faster than traditional internal combustion vehicles. Tesla alone made 184.800 deliveries in Q1 of 2021 and over 181.000 fully electric vehicles were sold worldwide in February 2021, up 138% compared to same month of last year.

Despite the rising numbers, electric vehicles still represent a tiny fraction of total sales of traditional vehicles, being only 2.3% of US sales in February, lagging behind Europe and China with 6.3% and 7.9%, respectively.

Some issues could bring more complication for these numbers, like challenges of the supply chain of battery manufacturers in the U.S. and a global chip shortage, which affects the overall industry, threatening both production and sales.

Scenario Projection

Considering that in 2010 only 17.000 electric cars were on the world's roads. There is a big jump in this number, rising impressively to 7.2 million nowadays and nine countries had more than 100.000 electric cars on their streets. Despite those numbers, the car market contracted. The total passenger car sales were depressed since last year in

several countries. Against this backdrop of slow sales, the 2.6% market share of electric cars in worldwide car sales establishes a record.

Another point was that those purchase subsidies were reduced in key markets, and the US federal tax credit program ran out for key electric vehicle automakers. These actions contributed to a significant drop in electric car sales in China and a 10% drop in the United States over the year. This fact affected global sales and overshadowed the notable 50% sales increase in Europe last year, slowing the growth trend. Besides that, today's consumer profile in the electric car market is evolving from early adopters and purchasers to mass adoption. The consumer expectations of further technology improvements and a wider variety of electric car models on offer have stimulated consumer purchase decisions. With this movement, automakers have announced a diversified menu of electric cars. For the next five years, they have plans to release another 200 new electric car models, many of which are in the popular sport utility vehicle market segment. As improvements in technical performance and cost reductions continue, consumers are placed to be attracted to a product.

Vision

Rivian is on a mission to keep the world adventurous forever. We believe there is a more responsible way to explore the world and are determined to make the transition to sustainable transportation an exciting one. We designed our emissions-free Electric Adventure Vehicles to challenge what's possible. Fast growing markets, such as China and India had lower sales during the past years, and many other countries had reduced the purchase subsidies in their local markets. China, for instance, cut electric car purchase subsidies by about half in 2019. The US federal tax credit programme ran out for key electric vehicle automakers, such as General Motors and Tesla. These actions contributed to a significant drop in electric car sales worldwide.

Mission

Core to our mission is building a team of adventurous individuals determined to make a positive impact on the world. This means challenging ourselves constantly. Stretching beyond the bounds of conventional thinking. Reframing old problems. Seeking new solutions. And operating comfortably in a space of uncertainty. While our backgrounds are diverse, our team shares a love of the outdoors and a desire to protect it for future generations.

Values and Principles

Rivian carries as its primary value and purposes the union of two main passions of its founder, RJ Scaringe: cars and nature. Relying upon a genuine concern, the company brings a conscious production to respect, reduce and minimize negative impacts on wildlife.

In addition, another pillar that permeates all the company's speeches is the encouragement to search for new challenges and encourage the adventurous spirit.