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Scaling EV for future of mobility in SEA

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# Scaling EV for future of mobility in SEA

**T**HE trend of electrification of the mobility sector is driven by global commitments by countries and corporations to act on reducing harmful carbon emissions.

The maturity of electric vehicle (EV) technology and its acceptance by consumers have contributed to the significance of this trend.

Many countries have either mandated or announced timelines to phase out the sales of pure internal combustion engine (ICE) vehicles.

Norway leads the trend with a target of achieving zero ICE vehicle sales by 2025. China, the world's largest automotive market, will sell only xEV (different forms of hybrids and zero-emission vehicles) by 2035.

Among Southeast Asia nations, Singapore aims to have all vehicles run on clean energy by 2040.

Other countries such as Indonesia, Malaysia and the Philippines have also announced commitments to accelerate conversion to xEV by 2030.

Thailand is particularly resolute in accelerating zero-emission vehicle transformation, with the goal to produce 50 per cent of electric vehicles locally by 2030, and 100 per cent by 2035.

International management consultancy Roland Berger projects that the share of global ICE sales will reduce to 40 per cent by 2030.

**NEED FOR A NEW APPROACH**

EV development has created a new industry value chain and opportunities.

"Taking Thai EV development goals



Electric vehicle development has created a new industry value chain and opportunities.

as an example, we estimate a revenue pool of more than US\$100 billion, however, there are many challenges associated with the new market that remain to be resolved," says Roland Berger principal and automotive practice lead [Southeast Asia] Timothy Wong.

Roland Berger's Automotive Disruptive Radar (ADR), a biannual tracker of disruptive trends in the automotive sector, indicates desirability among consumers to switch to EVs.

Accessibility, convenience and pri-

ce, however, remain key concerns. The existence of charging infrastructure, access to maintenance and repair, and price gaps between ICE and EV are hurdles to be resolved.

On the supply side, industry players are grappling with the challenges of the nascent market with an underdeveloped EV ecosystem.

The struggles include needing to build stronger EV-related know-how and attracting investments to scale up. "Should we wait for the EV to be



**"For automotive producing nations such as Malaysia, Thailand, Indonesia and Vietnam, incentive packages to encourage and accelerate the industry transformation from ICE to EV would be key."**

**UDOMKIAT BUNWORASATE**  
 Roland Berger Thailand country head and partner

more ready before we invest, or should we act now? How soon can we reap the rewards?" said Wong in reflecting sentiment on the ground towards EV potential and risks.



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**TIMOTHY WONG**  
 Roland Berger principal and automotive practice lead [Southeast Asia]

He added that to address the conundrum of the nascent EV market in Southeast Asia, both the public and private sector have roles to play with different strategic imperatives and considerations.

Overall, the development of EV will create unprecedented opportunities for various stakeholders in the public and private sectors.

Roland Berger believes that a "playbook" approach could provide high level guidance for policymakers and business decision-makers to better define their objectives, strategy and approach to capture the EV growth potential.