

# The ZEV Mandate Fuels UK's EV Boom

The UK electric car market has seen remarkable growth this year, thanks to the ZEV mandate regulation. The continued increase in electric vehicle (EV) sales contradicts recent claims from carmakers suggesting the UK may fall short of the ZEV mandate target in 2024. Crucial points include:

- Carmakers are well on track to meet the ZEV mandate requirements for this year.** Current data indicates that battery electric vehicle (BEV) sales account for 18.3% of the UK car market and in October BEVs reached 21% of the market<sup>1</sup>. While the official target is set at 22%, compliance flexibilities mean that carmakers only need to achieve an average of 18% BEV sales to stay in line with regulations. These flexibilities, called for by the car industry<sup>2</sup>, are applicable during the first three years of the ZEV mandate and allow manufacturers to comply with the mandate by reducing CO2 emissions from petrol and diesel sales, borrowing credits from future targets, and purchasing credits from other carmakers. Presently, nine out of 20 carmakers already have an excess of ZEV credits available<sup>3</sup> (meaning they are already exceeding the requirements) and this position will improve further as carmakers always boost sales towards the end of the year in order to comply. For example, in December 2022 fully electric car sales reached 33%<sup>4</sup>.

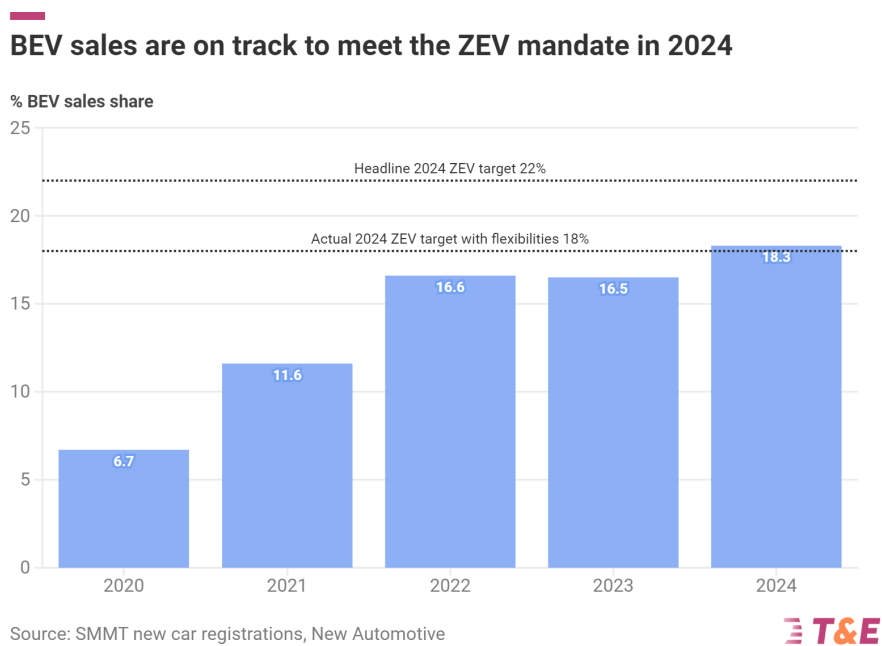


Fig 1. UK BEV sales 2020-2024, 2024 data covers January-October sales.

<sup>1</sup> January to October 2024.

<sup>2</sup> Department for Transport. (2023) [Zero emission vehicle mandate consultation: summary of responses and joint government response](#)

<sup>3</sup> New Automotive. (2024) [Record run for electric car sales with third month of >20% market share.](#)

<sup>4</sup> SMMT. (2024, 01, 05) [New car market delivers best year since 2019 as fleets fuel growth.](#)

- The ZEV mandate is proving effective in making electric cars more affordable.** The policy is achieving its goal of bringing more models to market, particularly smaller, entry-level EVs. For example, the fully electric Dacia Spring is available starting at just £15,000, and the new Citroen e-C3 can be ordered at £23,000. By 2027, over a dozen EV models priced at £23,000 or below are expected in the UK<sup>5</sup>, making electric cars increasingly accessible for budget-conscious consumers who have been held back by costs. For a number of years, carmakers have prioritised large, premium EVs (including SUVs) to maximise profit margins<sup>6</sup>. While this was sufficient for an "early adopter" EV market, this has slowed EV price reductions in recent years. Carmakers now need to shift focus on to smaller, more affordable EVs to satisfy consumer EV demand from the mass market. The ZEV mandate is crucial for driving this change and expanding the EV market to more consumers. Sharp price reductions in EV battery costs, which are at record lows, are also supporting EV price cuts<sup>7</sup>.

This impact of cheaper EVs and a growing number of affordable models is already evident in rising EV sales among private buyers with recent BVRLA data<sup>8</sup> showing BEVs making up 21% of personal lease agreement cars in the second quarter of the year due to "manufacturers adapting pricing to help them meet their obligations"<sup>9</sup>, indicating that the mandate is helping to drive down EV costs propelling forward consumer adoption of EVs as expected.

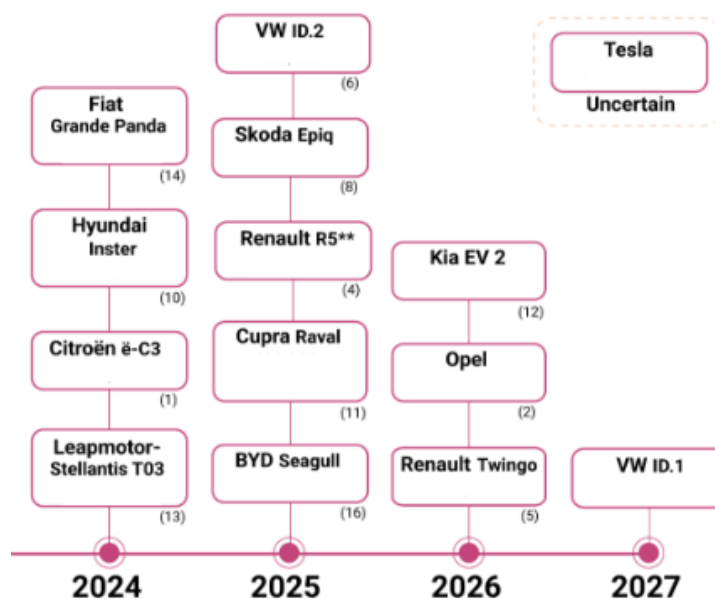


Fig. 2 Affordable EVs arriving on the UK market by 2027.

<sup>5</sup> Collated by T&E from carmakers' public announcements

<sup>6</sup> T&E. (2024) [Stagnation and Growth: The European EV Market](#)

<sup>7</sup> Reuters. (2024, 10, 30) [Battery cell prices fall to record low in September, says report.](#)

<sup>8</sup> BVRLA. (2024) [BVRLA Fleet Focus Q2 2024](#)

<sup>9</sup> BVRLA. (2024) [Personal EV Demand Gathers Pace](#)

- **The ZEV mandate has catalysed £23 billion in green investment announcements** over the past three years for UK EV manufacturing and battery gigafactories<sup>10</sup>. These investments are essential for sustainable economic growth, the creation of high-quality green jobs, and maintaining the UK's competitive edge in automotive manufacturing. Accelerating the industry's transition to EVs will be critical for sustaining the UK's automotive sector amidst intense global competition. In addition, the UK's charging industry has committed £6 billion in investment by 2030 which its industry body, ChargeUK, has stated that certainty around the ZEV mandate and phase-out of petrol and diesel sales is critical for<sup>11</sup>.

Overall, the UK's electric car market is expanding as anticipated, with impressive growth in EV sales underscoring the ZEV mandate's success. By contrast, the European Union's progress has slowed, with EV sales stagnating around 14% due to the lack of stricter regulations until 2025<sup>12</sup>. The EU's intermittent approach to regulation, with major policy changes every five years followed by periods of stagnation, highlights the risk of a stop-start approach.

With the UK EV market thriving and consumers and the economy reaping the benefits, this is not the time to backtrack. History shows that the automotive industry has previously opposed climate regulations to sustain returns on petrol and diesel. Before the regulatory targets of 2020 and 2021, carmakers similarly doubted their ability to comply, but in the end most manufacturers complied without having to pay fines.

Announcements in the Chancellor's Autumn Budget will mean that EVs will continue to go from strength to strength in the corporate market and in salary sacrifice schemes with the extension of beneficial tax rates. Meanwhile, changes to first year Vehicle Excise Duty will help nudge new car buyers towards EVs.

**Weakening the ZEV mandate now in the UK – by extending flexibilities, for instance – would slow market momentum, jeopardise climate goals, and hinder the UK's transition to a greener automotive industry. The UK Government already has to come forward with a revised Carbon Budget Delivery Plan due to the last one being ruled unlawful. With the ZEV mandate being one of the UK's biggest carbon saving measures to date, any weakening would require unjustifiable deeper emissions cuts from other sectors, if UK climate targets are to be met. Any delay could also reduce the supply of affordable EV models, creating investment uncertainty and risking planned EV and battery projects in the UK. Now is the time to stand firm and let the regulation deliver a successful UK EV transition.**

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<sup>10</sup> T&E. (2024) [Carmakers' EV investments: Is Europe falling behind?](#)

<sup>11</sup> ChargeUK (2023) [Statement from ChargeUK on the UK's Zero Emission Vehicle Mandate](#)

<sup>12</sup> ACEA. (2024, 10, 22) [New car registrations.](#)



## Further information

### About us

We are the national office of the European clean transport NGO T&E whose aim is to achieve a zero-emission mobility system that is affordable and has minimal impacts on our health, climate and environment and is accessible to all.

<https://www.transportenvironment.org/te-united-kingdom>

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