

## Alternative Fuel Vehicles - UK - January 2011

Report Price: £1500 / \$2310 / €1793



### What is this report about?

The market for Alternative Fuelled Vehicles (AFVs) has remained small for many years on the grounds of cost and the lack of available models as well as low public acceptance of an AFV over a vehicle powered by petrol or diesel. The result is that sales of new AFVs accounted for only around 0.8% of total car sales in 2009, or 15,000 units.

### What have we found out?

- There is very low interest currently in alternatively fuelled vehicles, with sales amounting to 15,000 units out of total sales of 2 million vehicles in 2009. Our research shows around 1% of car owners currently have an AFV and of these, hybrids are most widely owned.
- Our research also shows, however, that some 7% of car owners would consider buying an AFV as their next car, but would need to be satisfied that there were ample recharging or refuelling points for the car and that they could achieve a decent number of miles per tank/charge.
- Hybrids and electric cars both have potential for success and can target different markets. For example, the low mileage driver who wants a small, economical vehicle just to get them from A to B will be suited to owning an electric car, while hybrids can target the family/sole trader market with larger models that are more economical for longer distances or more frequent driving.
- One third of petrol car drivers currently drive fewer than 5,000 miles per year and would be more than suitable for electric car ownership.
- Price is the biggest barrier to greater uptake of electric vehicles. The Nissan Leaf is priced at £23,990 (including the £5,000 government incentive) and our research shows just 8% of those who would consider buying an AFV would be prepared to spend more than £20,000 on their next car.
- Within the trade, there are expectations that sales of new AFVs will rise to 130,000 units in 2015 and 430,000 units in 2020 with the result that AFVs are likely to represent just under a fifth of total sales by the end of this coming decade. Mintel, however, forecasts a slower rate of take-off for the market, with our expectations of sales standing at around 79,000, or at best, a level of 102,000 by 2015.

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