

There is a lot of talk about weak consumer demand for EVs — doleful from greens, triumphant from others. Maybe US carmakers have hit a few speed bumps -not surprising when trying to rapidly ramp up a product that's new to most consumers. But the reality is actually quite reassuring in terms of the U.S. market. Globally, the picture is even rosier for EVs, with the big open question being whether U.S. carmakers are going to be shoved to the curb by the Chinese.

Let's start by looking at projections when Congress passed the Inflation Reduction Act's big push for electric vehicles. How do actual sales compare with the predictions? In 2020, the Energy Information Administration projected that by 2023, there would be 580,000 zero emission vehicle sales in the U.S. Actual sales seem to have been 280% of that estimate. On February 21, the Rhodium consulting group [released](#) a preliminary finding that in 2023, 9.2% of U.S. new car sales — that's 1.4 million cars — were zero emission vehicle sales, almost all of them EVs. That's up from 2.8% in 2022, and 2.2% in 2020. In other words, EV sales tripled in three years.

How does that compare with expectations when the IRA was passed? Rhodium's earlier prediction was that EVs would be between 8.1% and 9.4% of new US car sales in 2023. The actual number is just a hair under their top-level prediction. Absolutely on track then.

What about investments? There was much gnashing of teeth over reports that a few projects had been cancelled or postponed. But those reports don't seem to reflect a larger trend. In January alone, \$2.4 billion in clean energy investments were [announced](#), including a \$1.9 billion battery manufacturing plant in Mississippi. In total, there has been about \$50 billion committed to EV and EV-battery production. In short, despite a couple of missteps, the market has continued to express confidence in the future of EVs.

Globally, EVs are also selling like hotcakes. The Chinese carmaker BYD [sold](#) 3 million electrified vehicles last year and is opening new factories in Brazil, Thailand, Hungary and Uzbekistan. Its cheapest model (a plug-in hybrid) sells for \$11,000. I normally hate the term "jaw dropping," but that price seems to qualify. US carmakers need to get their act together quickly if they're going to stay globally competitive.

In other words, news of the death of the EV transition has been greatly exaggerated. Full speed ahead!

