

4-wheeler xEV market in the Philippines

**Nomura Research Institute (NRI) Singapore Pte. Ltd.
Manila Branch**

Notes: EVs covered in this report include not only Battery Electric Vehicles (fully electric vehicles with rechargeable batteries and no internal combustion engine), but Hybrid Electric Vehicles / Plug-in Hybrid Electric Vehicles (with internal combustion engine and 1 or more electric motors).

October 2024



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EV brands and models

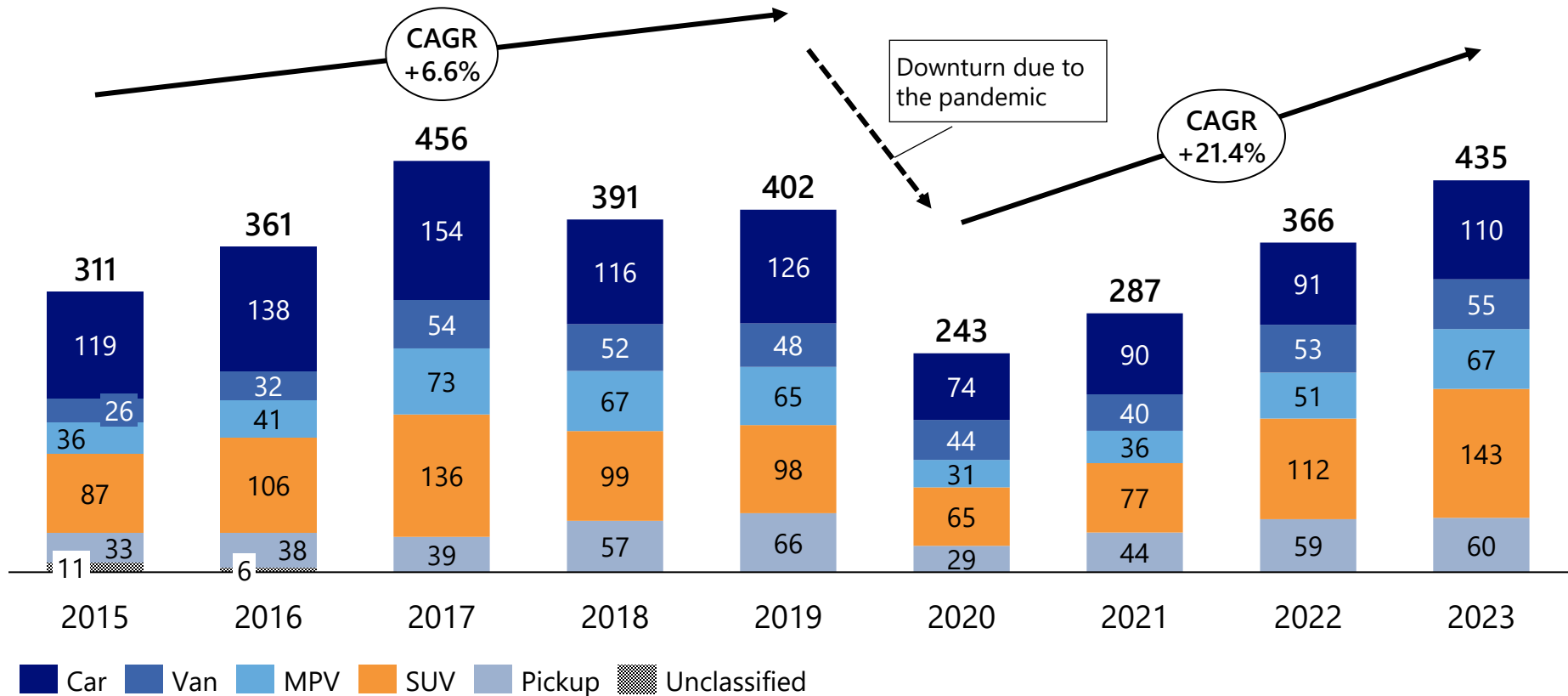
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EV policies

Market size of 4-wheeler vehicles in the Philippines

After a pandemic slowdown, the 4-wheeler vehicle market in the Philippines rebounded to pre-pandemic levels, with sales at 435,000 units in 2023.

Sales of 4-wheeler vehicles in Philippines (in thousands)



Note: MPV is multi-purpose vehicle. SUV is sports utility vehicle.

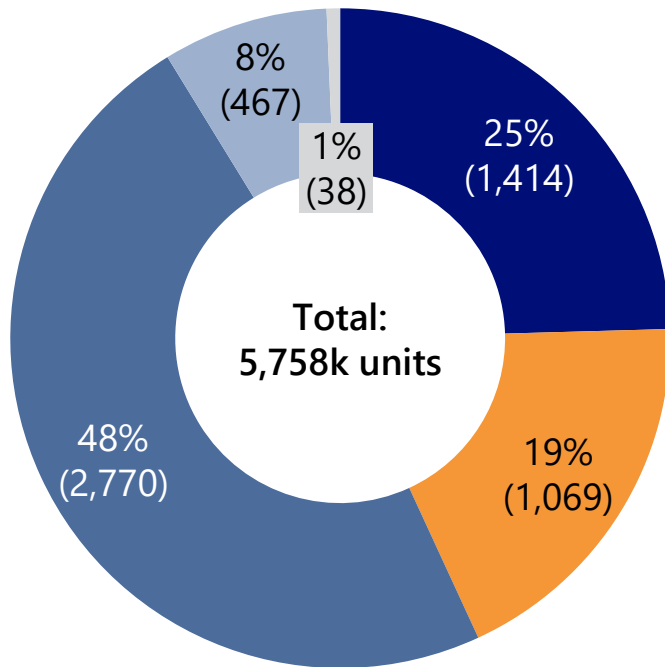
Source: Marklines

4-wheeler vehicles by type and region

The Philippines has ~5.8M 4-wheeler vehicles registered in 2023, led by Metro Manila and nearby regions (Region IV-A and III), mainly composed of UVs, Cars, and SUVs.

Registered 4-wheeler vehicles in Philippines in 2023 (in thousands, except shares shown in %)

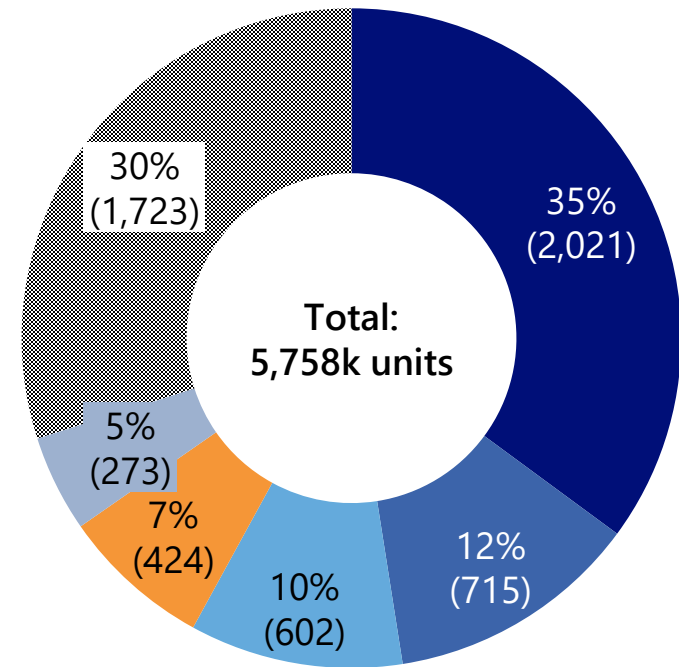
By Type



■ Car ■ SUV ■ UV ■ Truck ■ Bus

Note: SUV is sports utility vehicle. UV is utility vehicle.

By Region

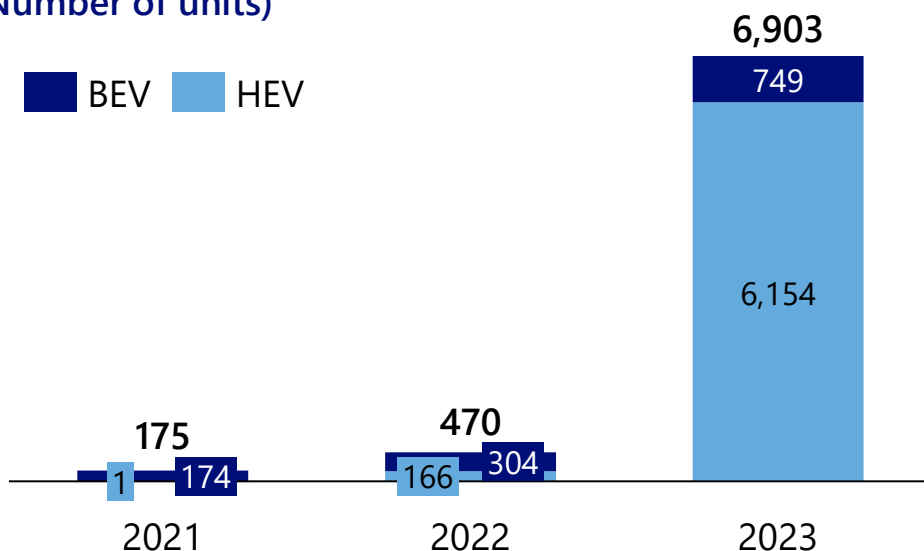


■ National Capital Region ■ Region VII
■ Region IV-A ■ Region VI
■ Region III ■ Others

Market size of 4-wheeler EVs in the Philippines

The number of 4-wheeler EVs registered in 2023 is ~6,900 units, dominated by HEVs, but import trends suggest the share of BEVs will grow in the coming years.

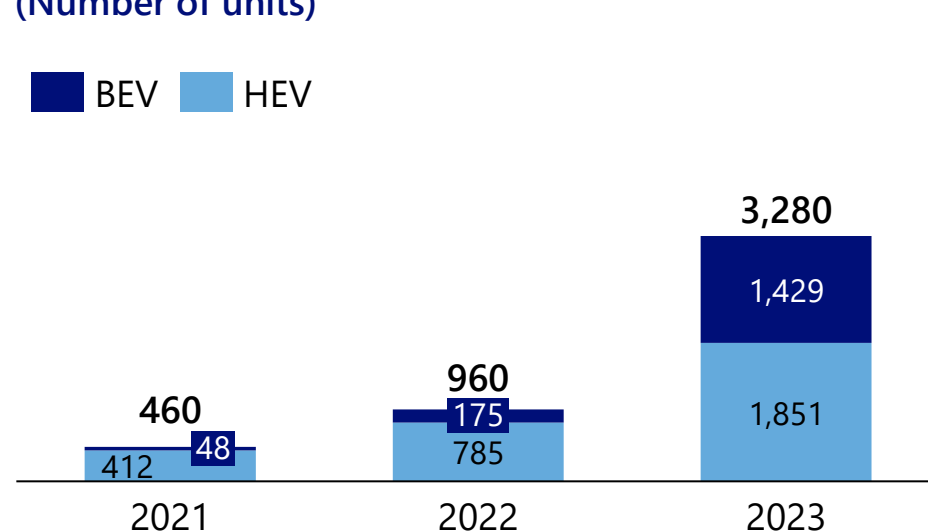
Registered 4-wheeler EVs in the Philippines
(Number of units)



Note: BEV is Battery Electric Vehicle, which is fully electric vehicles with rechargeable batteries and no internal combustion engine (ICE). HEV is Hybrid Electric Vehicle with ICE and 1 or more electric motors

Source: DOTr - LTO

Imports of 4-wheeler EVs in the Philippines
(Number of units)



Note: The HS codes used to count the number of EV imports are 8703.40~8703.80.

Source: Department of Trade and Industry (DTI) - Bureau of Import Services (BIS), NRI Analysis

The discrepancy between the number of registered 4-wheeler EVs and the amount of 4-wheeler EV imports could be attributed to:

- EVs may be imported but are not sold/ registered in the same year.
- Some UVs (such as e-Jeepneys) being assembled domestically and are not reflected in import data.

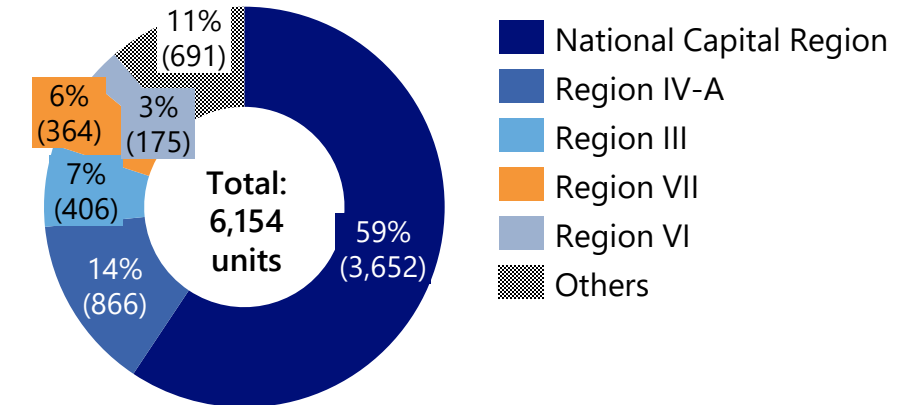
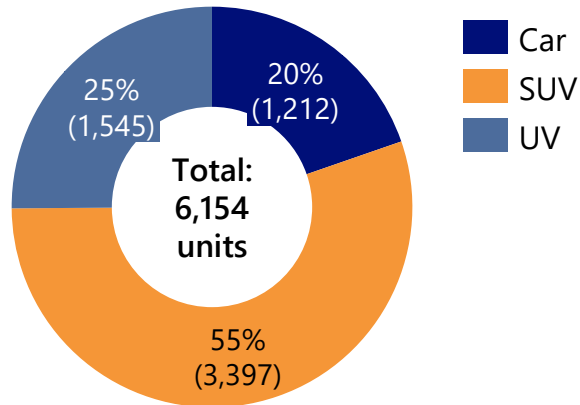
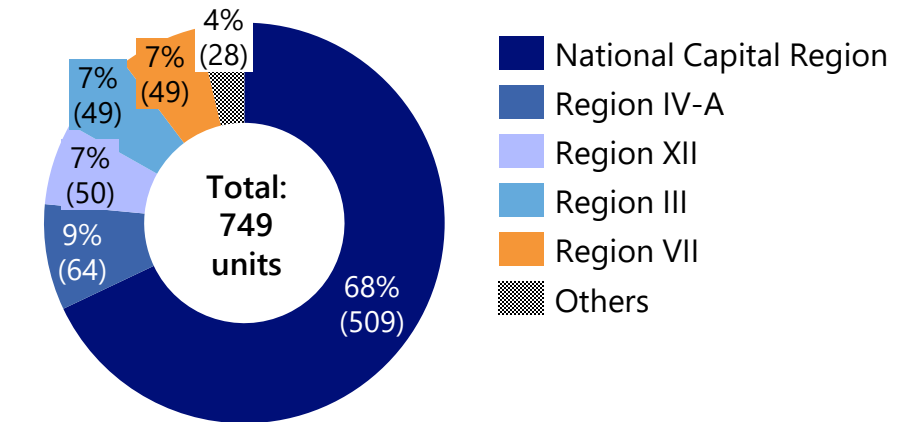
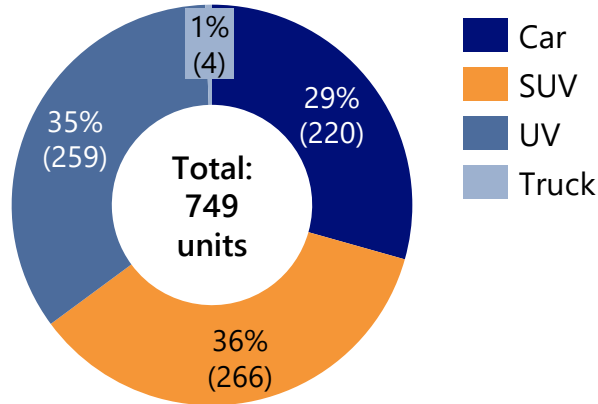
4-wheeler EVs by type and region

EV adoption is concentrated in Metro Manila and nearby regions, which accounts for over 80% of registrations. In terms of Type, SUVs and UVs dominate the BEV and HEV markets.

Registered 4-wheeler vehicles in Philippines in 2023 (number of units, except shares shown in %)

By Type

By Region

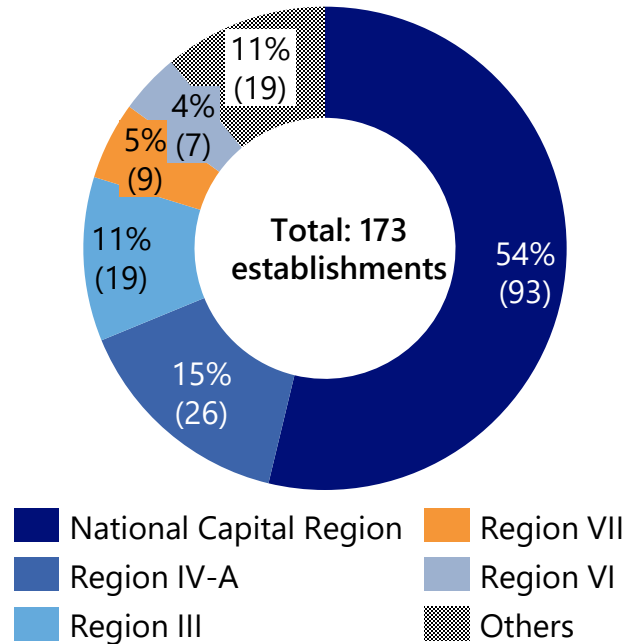
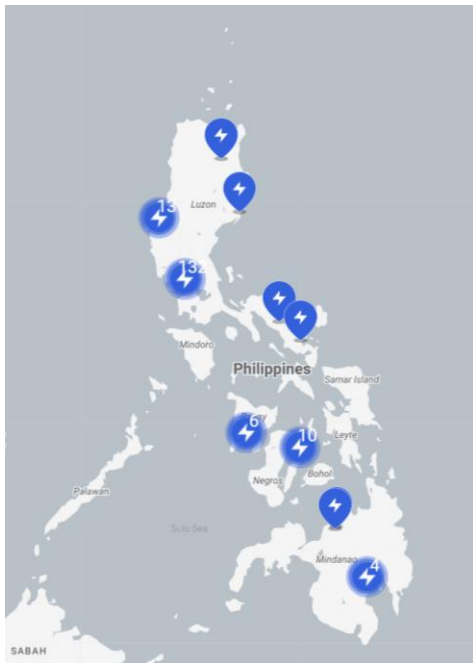


EV Charging Infrastructure

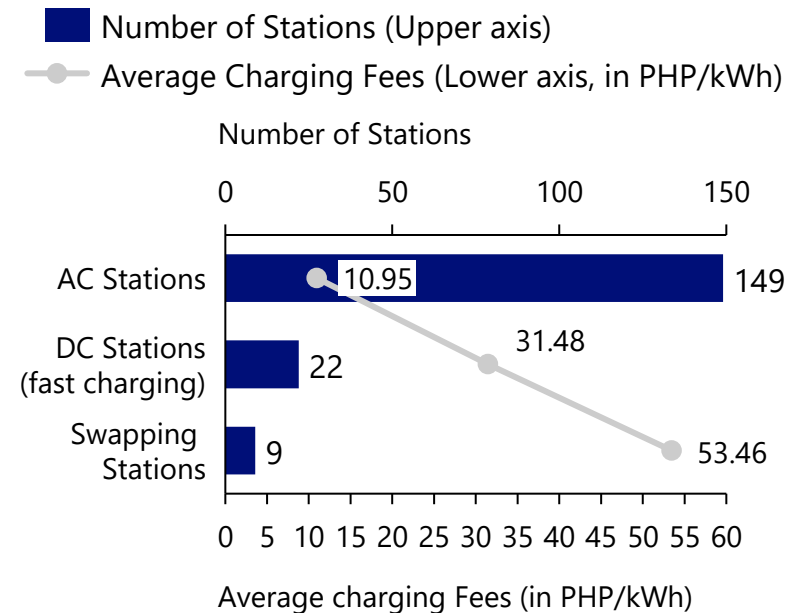
There are 173 charging establishments as of September 2024, increased by 2.4 times from 73 establishments in 2020. 80% of the stations are located in Metro Manila and nearby regions. Most of the stations are AC stations.

EV Charging Infrastructure in the Philippines (as of September 2024)

Geographical distribution



By Type



Note: Some establishments have multiple types of stations. Therefore, the total number of stations does not equal to the total number of establishments

Source: DOE "Philippine EV Industry Portal" and DOE presentation at APV Expo 2024

- Many of the charging stations are located in SM and Ayala Malls.
- AC Stations include Mode 1, 2 (equipped with socket outlets and to be charged with an in-vehicle cable) and Mode 3 (equipped with cables, mostly with Type 2 Connector). DC Station is Mode 4 (equipped with cables, mostly with CCS Combo 2 Connector).

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EV brands and models

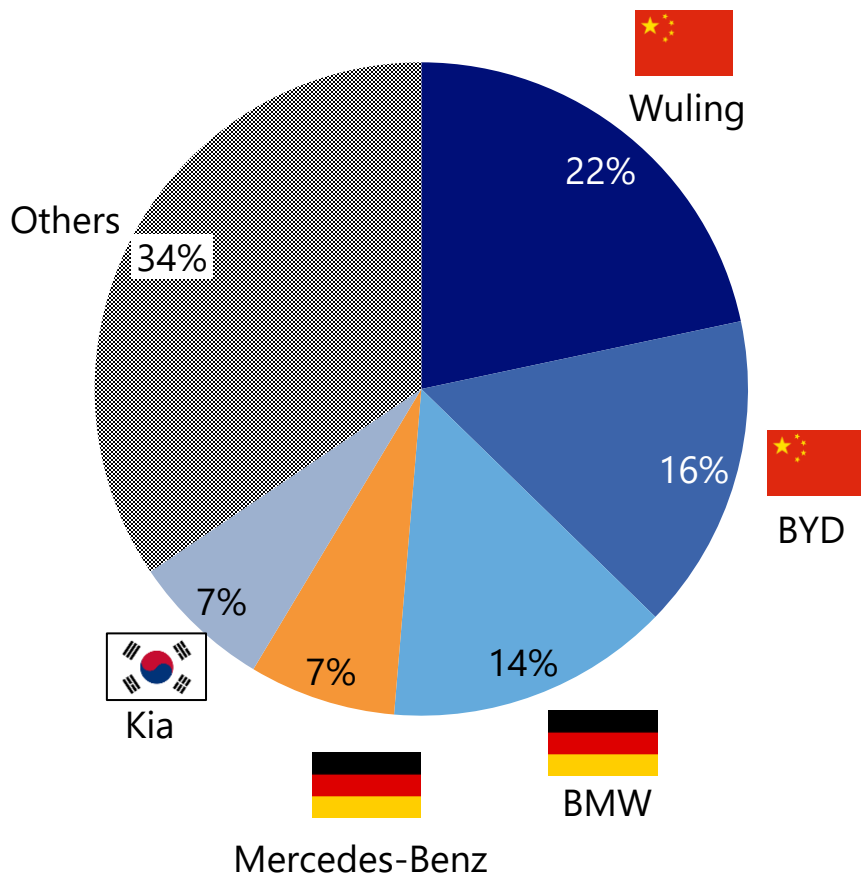
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EV policies

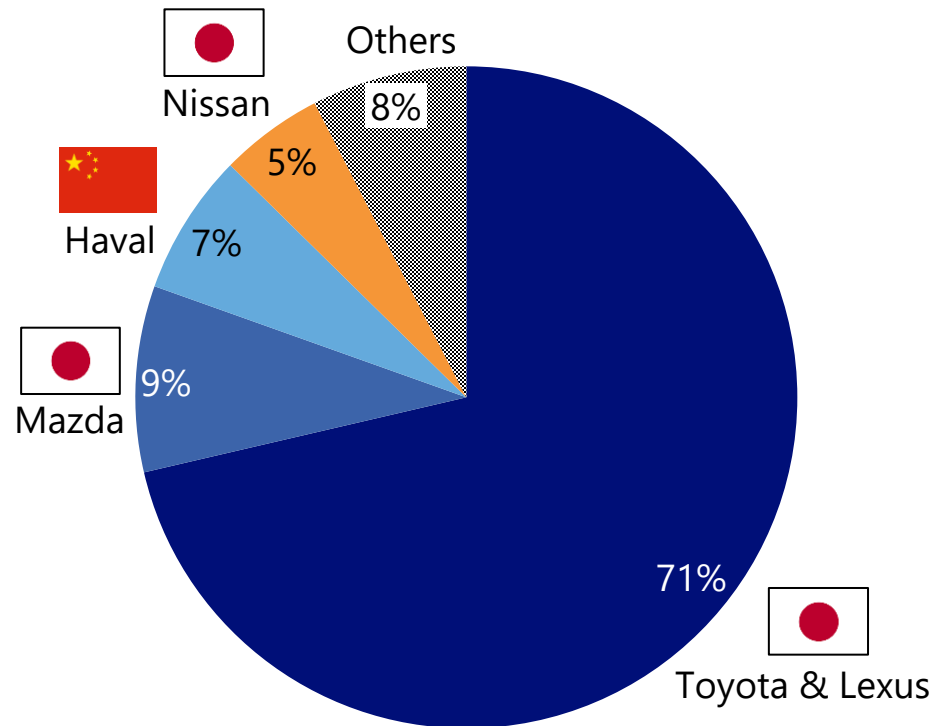
Brands of imported EVs

While the local HEV market is dominated by Japanese companies, the BEV market is more fragmented, led by affordable Chinese brands, followed by luxury European brands.

Brands of imported BEVs
(Cumulative number of imported units in 2021-2023)



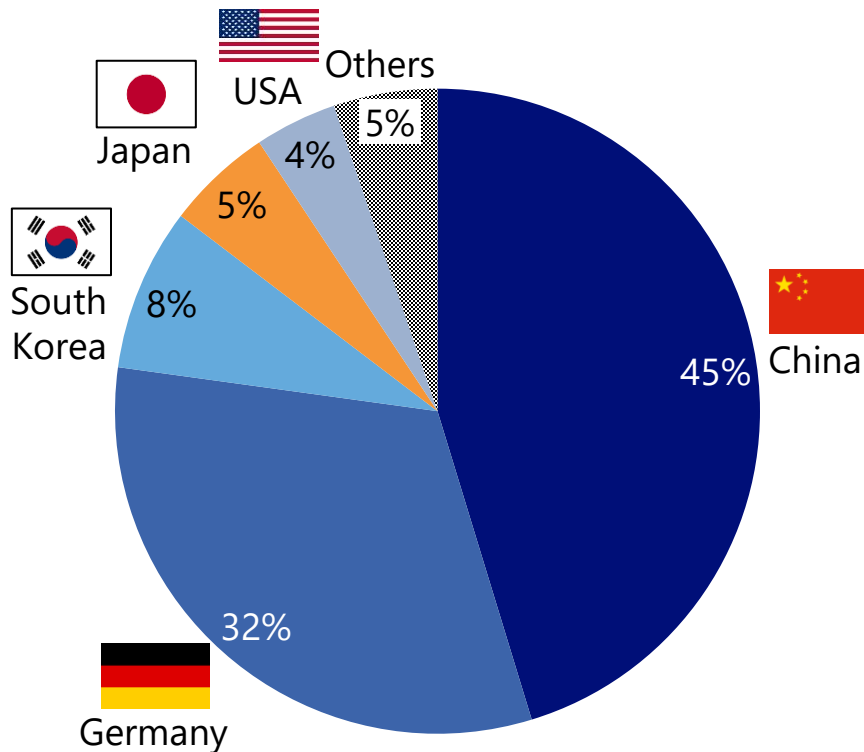
Brands of imported HEVs
(Cumulative number of imported units in 2021-2023)



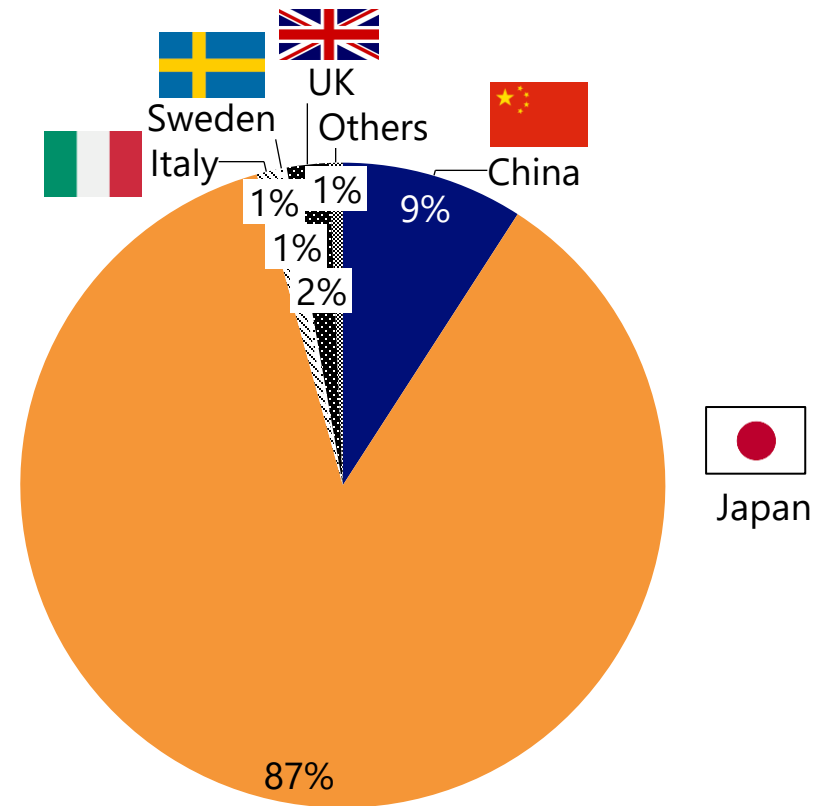
Brand's Country of Origin of imported EVs

The BEV market in the Philippines is primarily led by China and Germany, whereas Japan remains dominant in the HEV market.

Distribution of BEV Imports by Brand's Country of Origin (in 2021-2023)



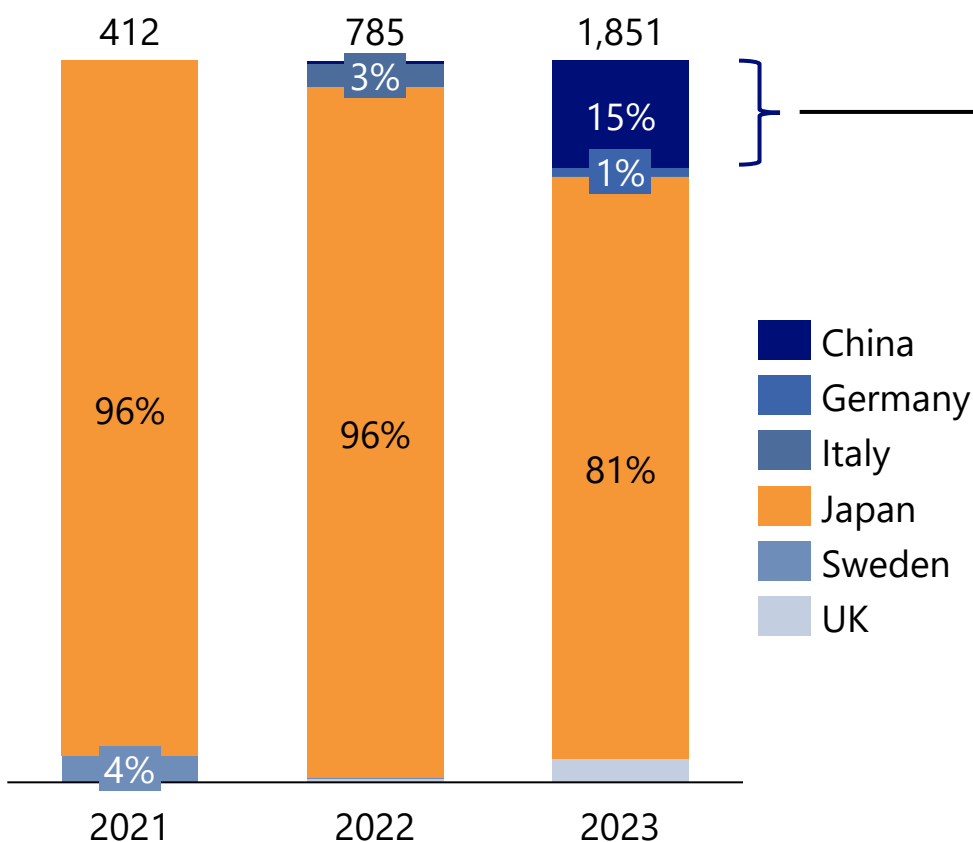
Distribution of HEV Imports by Brand's Country of Origin (in 2021-2023)



Brand's Country of Origin of imported EVs

Despite Japan's dominance in the HEV market, Chinese brands have recently been catching up and gaining market share.

Distribution of HEV Imports by Brand's Country of Origin (from 2021 to 2023)








Imported Chinese HEV Models (in 2021-2023)

Rank	Model	Brand	Segment	Price Range (PHP)
1	H6	Haval	SUV D (Upper Medium)	1-2 M
2	Jolion	Haval	SUV C (Lower Medium)	1-2 M
3	Fengon 580	DFSK	SUV D (Upper Medium)	Unknown
4	Tiggo 7 Pro Hybrid	Chery	SUV C (Lower Medium)	1-2 M
5	Tiggo 5X Pro Hybrid	Chery	SUV C (Lower Medium)	1-2 M






Models of imported EVs

SUVs, hatchbacks, and sedans are the most popular EV types, with brands catering to both budget and luxury market segments.

Top 5 imported models of BEV (in 2021-2023)

Rank	Model	Brand	Country	Segment	Price Range (PHP)
1	Bingo	Wuling	 China	Hatchback A (Basic)	<1M
2	IX	BMW	 Germany	SUV E (Large)	6–7 M
3	EV6	Kia	 South Korea	Crossover D (Upper Medium)	3–4 M
4	Dolphin	BYD	 China	Hatchback B (Small)	1–2 M
5	Atto3	BYD	 China	SUV C (Lower Medium)	1–2 M

Top 5 imported models of HEV (in 2021-2023)

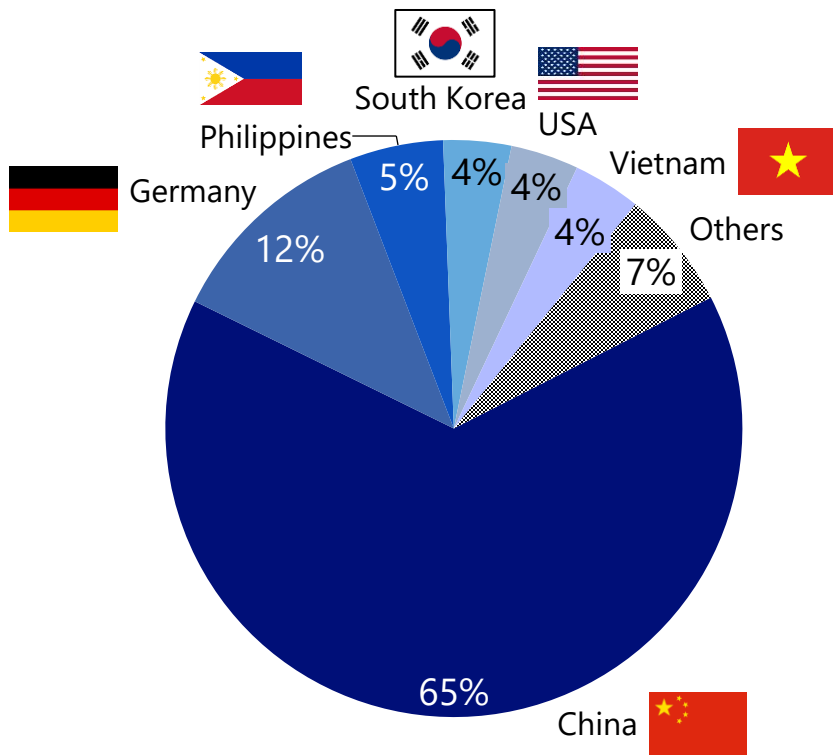
Rank	Model	Brand	Country	Segment	Price Range (PHP)
1	Corolla Cross	Toyota	 Japan	SUV C (Lower Medium)	1–2 M
2	Rav4	Toyota	 Japan	SUV D (Upper Medium)	2–3 M
3	Camry	Toyota	 Japan	Sedan D (Upper Medium)	2–3 M
4	RX	Lexus	 Japan	SUV E (Large)	4–5 M 5–6 M 6–7 M*
5	Kicks E-Power	Nissan	 Japan	SUV C (Lower Medium)	1–2 M

*There are 3 different models in Lexus's RX lineup that fall into 3 different price ranges

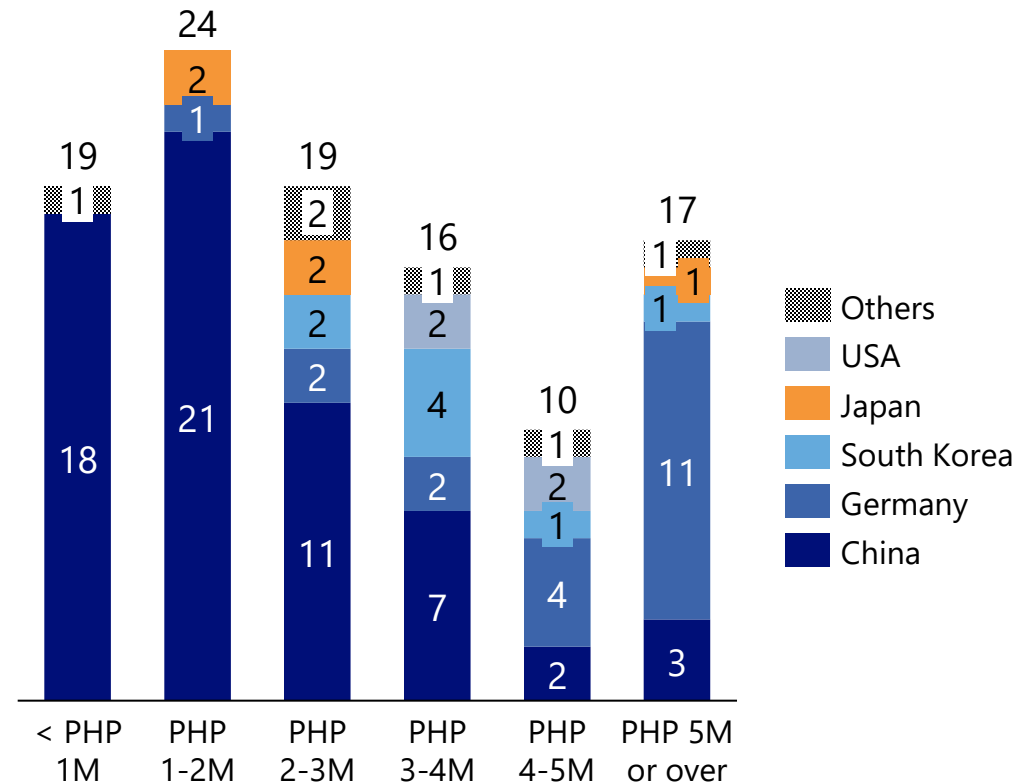
EV models recognized by the government | BEV models

According to the list of EV models recognized by the government, China has the most BEV models and mainly offers units in the entry-level range while Germany, which has the second most recognized vehicles, offers more high-end vehicles

Number of recognized BEV models (by country, as of July 2024)



Number of recognized BEV models available for sale by price-range (as of July 2024)



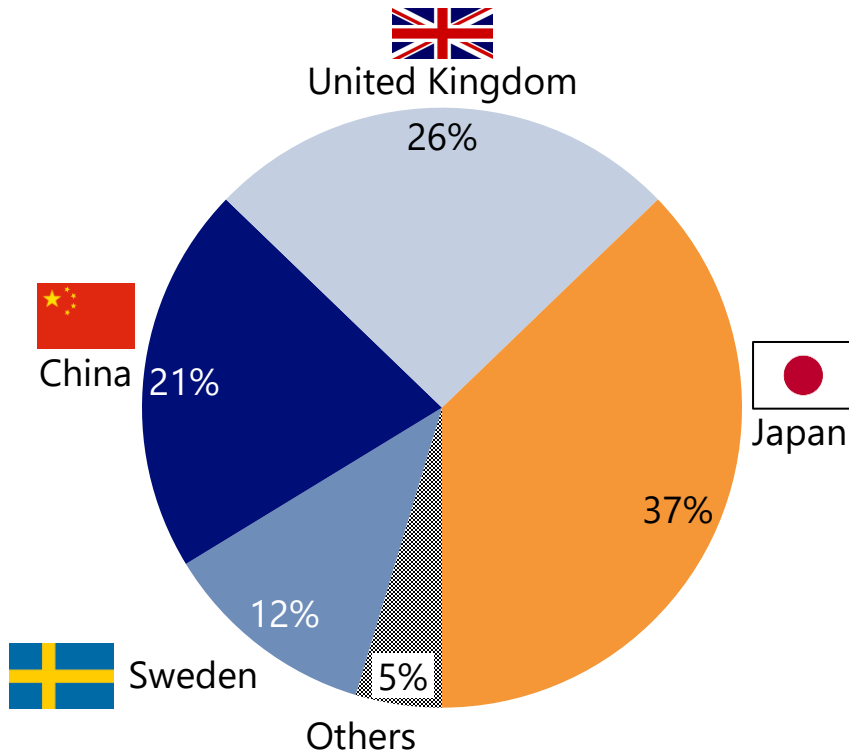
Note: Recognized vehicles pertain to models that the Department of Energy (DoE) deems qualified for benefits and incentives

Note: Among the recognized BEV models, only models actually sold are counted

EV models recognized by the government | HEV/PHEV models

Japan has the most recognized HEV/PHEVs and offers entry to mid-tier priced vehicles while the European countries mainly offer vehicles in the high to luxury price ranges

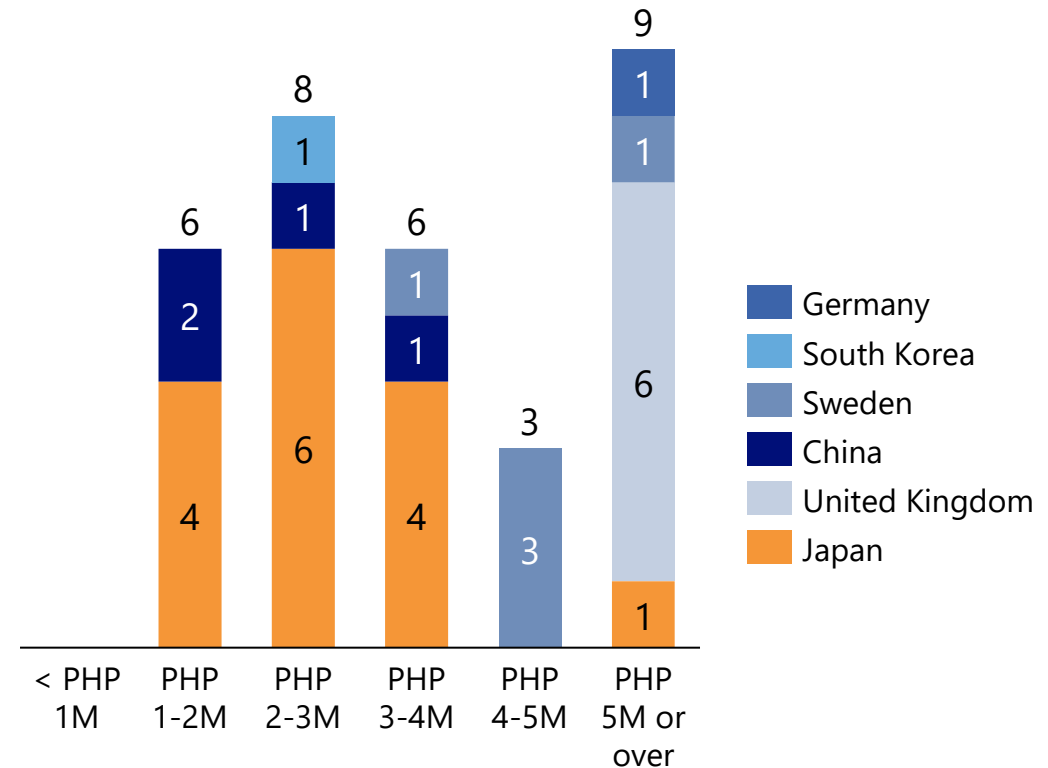
Number of recognized HEV/PHEV models (by country, as of July 2024)



Note: Recognized vehicles pertain to models that the Department of Energy (DoE) deems qualified for benefits and incentives

Source: Department of Energy (DoE), NRI Analysis

Number of recognized HEV/PHEV models available for sale by price-range








Note: Among the recognized BEV models, only models actually sold are counted

Overview of popular Chinese EV brands | BYD

Led by one of the biggest PH conglomerates, BYD seeks holistic growth by not only expanding to 22 dealerships but also providing more charging stations nationwide

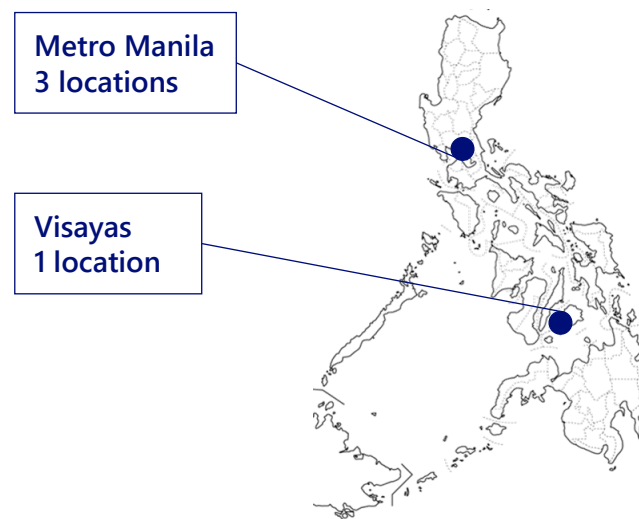
Product lineup

Model	Type	Price (PHP '000s)	Battery Capacity (kWh)
 Dolphin	Hatchback (BEV)	1,398	44.9
 Sealion	Compact SUV (PHEV)	1,548	18.3
 Atto 3	Compact SUV (BEV)	1,598	49.9 – 60.5
 Han	Sports Sedan (BEV)	3,113	85.4
 Tang	Performance SUV (BEV)	3,321	60.4

Business activities

- ACMobility, the electric mobility segment of Ayala Corp and the official distributor of BYD in the Philippines, announced that they aim to have at least 22 dealerships in the country by the end of 2024.
- To support their dealership expansion, the distributor also announced that they will be installing more EV charging stations to boost the current availability of 48 stations across 23 locations throughout the Philippines
- BYD has also previously supplied units to eSakay, a public transportation provider that solely utilizes EVs, in 2022





Geographical Presence (dealerships)



Overview of popular Chinese EV brands | Wuling

Wuling, known for producing eco-friendly and efficient mini EVs, has been offering more affordable alternatives to the Philippine EV market

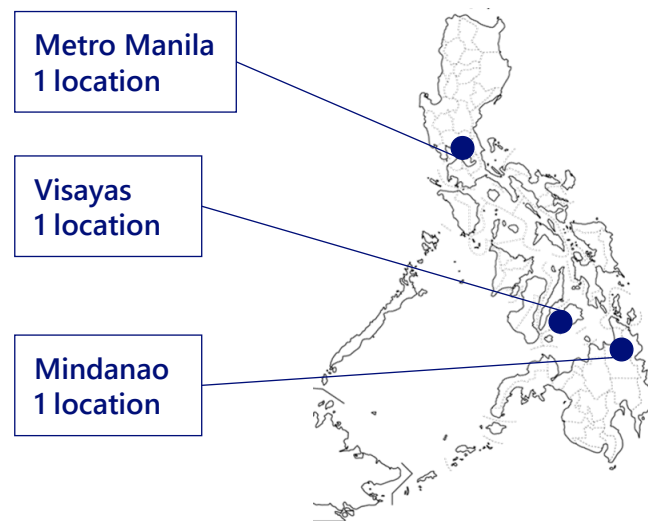
Product lineup

Model	Type	Price (PHP '000s)	Battery Capacity (kWh)
 Macaron	Hatchback (BEV)	663	13.8
 Gameboy	Hatchback (BEV)	863	26.5
 Bingo	Hatchback (BEV)	863	31.9
 Yep	Mini SUV (BEV)	1,083	28.1

Business activities

- GRC Motors, Wuling's exclusive distributor in the Philippines, has expanded outside of Metro Manila and opened two dealerships in Cebu and Cagayan de Oro

Geographical Presence (dealerships)



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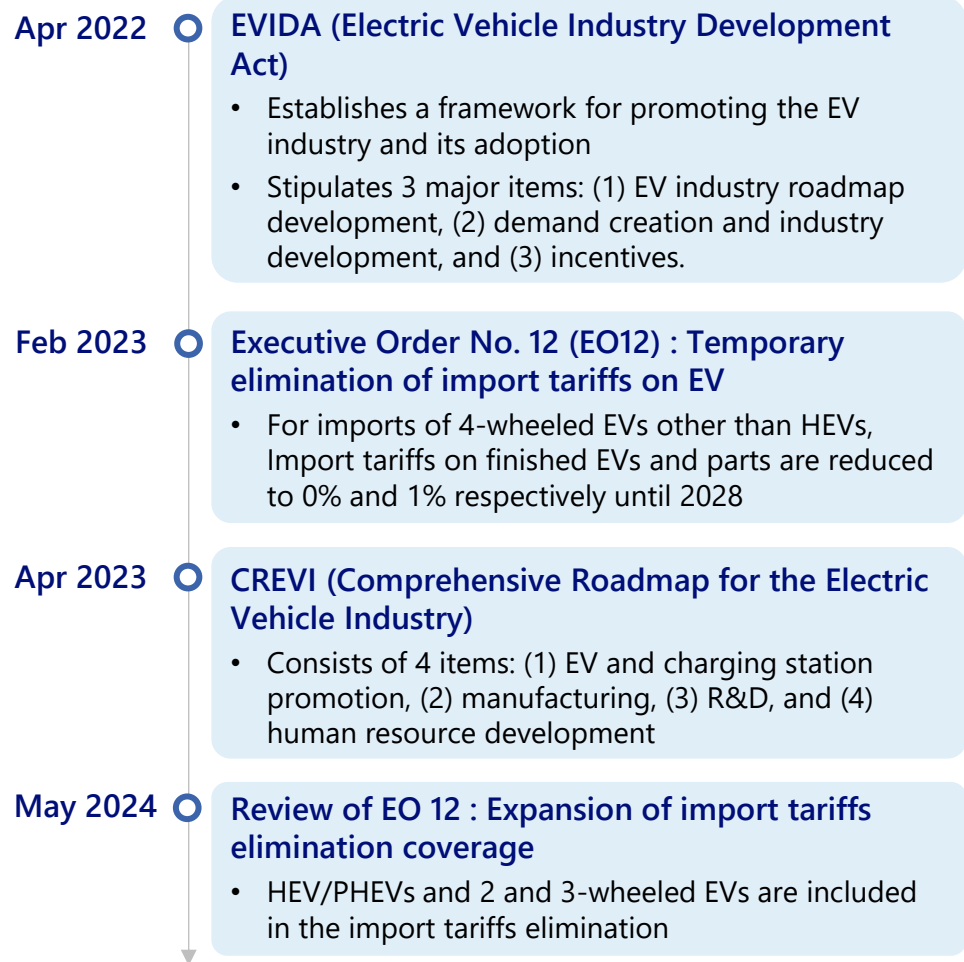
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EV policies

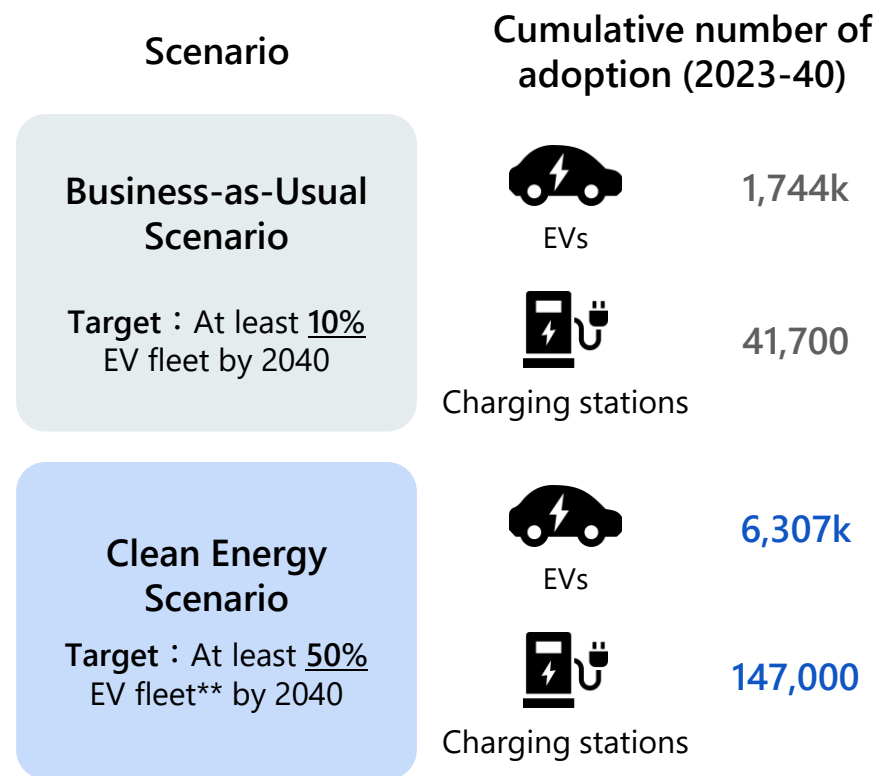
EV Policy Development and Adoption Targets

The government enacted the EV Industry Development Act in 2022, and based on the Act, the Roadmap (CREVI) has been developed and EV import tariffs have been eliminated. The Roadmap sets adoption targets for EVs and Charging stations by 2040.

EV Policy Development



Adoption Targets for EVs* and Charging stations (in CREVI)



* EV includes HEV and PHEV, and the target includes not only 4-wheelers but 2 and 3-wheelers.

** Excluding the household sector. The target for the household sector in clean energy scenario is 10% EV share of the total fleet by 2040

Regulations to promote EV adoption

As part of regulations to create demand for EVs and expand the charging infrastructure, mandatory requirements are set regarding EV fleet share, and installation of charging stations.

Regulations to promote EV adoption

Category	Description
Mandatory EV Share in Corporate and Government Fleets: 10% by 2040	<ul style="list-style-type: none">● The following entities shall ensure that at least 10% of their fleet shall be EVs by 2040<ul style="list-style-type: none">• Industrial and commercial companies such cargo logistics or freight forwarding companies, parcel and food delivery companies, tour agencies, hotels, power utilities, and water utilities• Public transport operators• Local Government Units, National Government Agencies, and Government-owned and controlled corporations● The mandatory target will be reviewed from time to time based on market trends, such as raising the target if the EV price level falls in the future
Dedicated Parking Slots for EVs, and Construction or Installation of EV Charging stations in Dedicated Parking Slots	<ul style="list-style-type: none">● The followings are mandated<ul style="list-style-type: none">• Private and public buildings and establishments constructed after the effectivity of the EVIDA shall designate dedicated parking slots for the exclusive use of EVs• EV Charging stations shall be constructed or installed in dedicated parking slots and selected gasoline stations● Specific guidelines regarding the above have not yet been issued and will be issued by the end of 2024

Incentives to promote EV adoption

Fiscal incentives are mainly for manufacture and import, and purchase subsidies have not been introduced yet. Among Non-Fiscal incentives, the exemption of EVs from number-coding scheme in Metro Manila has been contributing to the increasing adoption of EVs.

Incentives to promote EV adoption

Category	Description
Fiscal Incentives	<ul style="list-style-type: none">● Tax Incentives for manufacture and assembly of EVs, EV Charging stations, batteries, and parts and components● Development of the EV Incentive Strategy (EVIS) to provide support such as government subsidies to local EV industry (to be enacted by the end of 2024)● Import tariffs elimination on EVs (0% for finished EVs, 1% for parts and components until 2028)● Exemptions from excise taxes on EV purchases (full exemption for BEVs and half exemption for HEVs), and discounts on vehicle user's charge, registration and inspection fees
Non-Fiscal Incentives	<ul style="list-style-type: none">● Priority registration and renewal of registration, and issuance of a special type of vehicle plate by the LTO● Exemption from the mandatory unified vehicular volume reduction program, number-coding scheme*, or other similar schemes● Expeditious processing by the LTRFB of applications for franchise to operate, including its renewal, for PUV operators that are exclusively utilizing EVs● Availment of TESDA Training Programs on EV assembly, use, maintenance, and repair for its employees.● Expeditious processing by the Bureau of Customs on the importation of parts and components for the manufacture and assembly of EVs.

* Number-coding scheme is a scheme that prohibits driving on certain days of the week according to the last number of the license plate.

- The current roadmap (CREVI) states that "the fiscal position of the country cannot accommodate sustained upfront subsidies similar to those provided in other countries". Therefore, introduction of purchase subsidies is considered unlikely at this moment.

Policies to be developed by the end of 2024

By the end of 2024, the government is looking to update the CREVI targets and issue guidelines for dedicated EV parking slots and installation of charging stations, as well as developing EV Incentive Strategy (EVIS) to support and strengthen local EV industry.

Updating of the CREVI targets

- Targets for the dedicated parking slots for EVs in buildings will be set, and the mandated EV Fleet Share will be updated

Issuance of Guidelines

- Guidelines for the followings will be issued
 - Dedicated parking slots for EV in buildings and establishments
 - Installation of EV charging stations in parking slots and gasoline stations

Development of EV Incentive Strategy (EVIS)

- EV Incentive Strategy (EVIS) will be developed. Components under consideration are as follows
 - Promotion of local manufacture of e-PUV and e-Motorcycle *
 - Strengthening the supply chain of batteries and power electronics
 - Knowledge sharing

* e-PUV (Public Utility Vehicle) and e-Motorcycle are prioritized in view of high local demand and the feasibility of local production.

Summary

■ The Philippine EV market is still nascent, but growing.

- Registered 4-wheeler EVs (incl. BEV and HEV) in 2023 was 6,900 units, increased by more than 6,000 units from the previous year.
- Among the annual sales of 435k 4-wheeler vehicles in 2023, EV sales share is approx. 1.5%.

■ The current EV market is dominated by Japanese HEVs, and the EV adoption is driven by the exemption of EVs from number-coding scheme in Metro Manila.

- ~90% of the current 4-wheeler EV registrations are HEVs, and HEV market is dominated by Japanese brands.
- Approx. 60% of EVs are registered in Metro Manila. The exemption of EVs from number-coding scheme in Metro Manila has been contributing to the increasing adoption of EVs.

■ Chinese affordable BEVs are gradually penetrating the market.

- The import trends suggest the share of BEVs will grow in the coming years. The BEV market is led by affordable Chinese brands (Wuling, BYD), followed by luxury European brands (BMW, Mercedes Benz).
- Chinese OEMs are aggressively taking actions to increase BEV sales, such as expanding dealerships and installing more EV charging stations.

■ The government has not introduced a purchase subsidy policy to bridge the price gap between ICEs and EVs. Therefore, the penetration of EVs for private use is expected to be gradual.

- The government focuses on EV demand creation by the mandated EV Fleet Share (for business use in private and public sector) and local EV industry development by giving incentives to EV manufacture and imports.
- Purchase subsidies to bridge the price gap between ICEs and EVs are not introduced and given low priority in the current roadmap (CREVI).

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