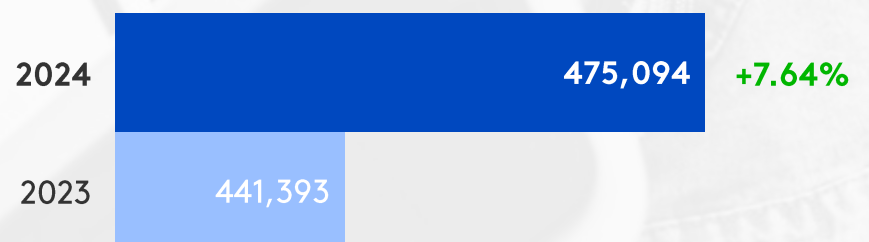


Charging Ahead

An inside look at the steady acceleration of Electric Vehicles in the Philippines

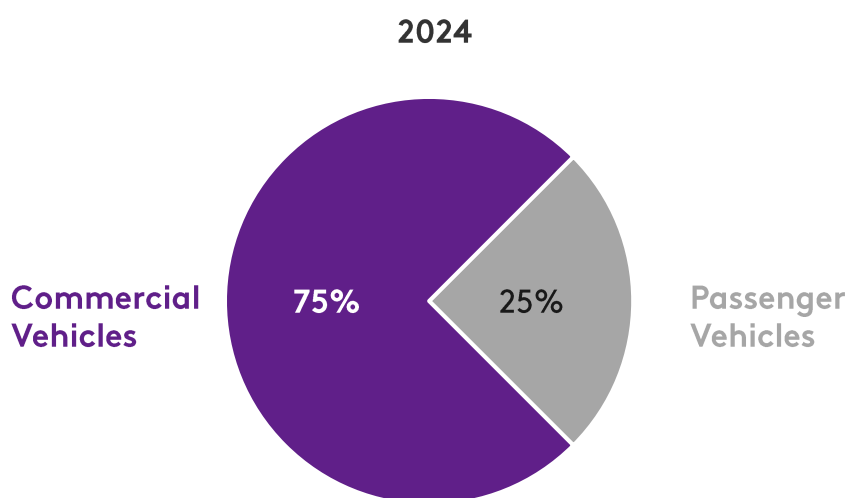
The Philippine automotive industry continues to flourish and sustains growth momentum post-pandemic. **This is most especially true in 2024 and at the start of 2025.**

Figure 1 Vehicle Units sold in 2024 versus 2023



Key automotive growth drivers are positive macroeconomic indicators that support purchases for big ticket items, including cars (tempered inflation, steadily high GDP growth rate, improving consumer confidence index), new market players and more aggressive push from smaller nameplates, wide variety of innovative model offerings, and more budget-friendly financing schemes that heighten overall appeal of car purchase.

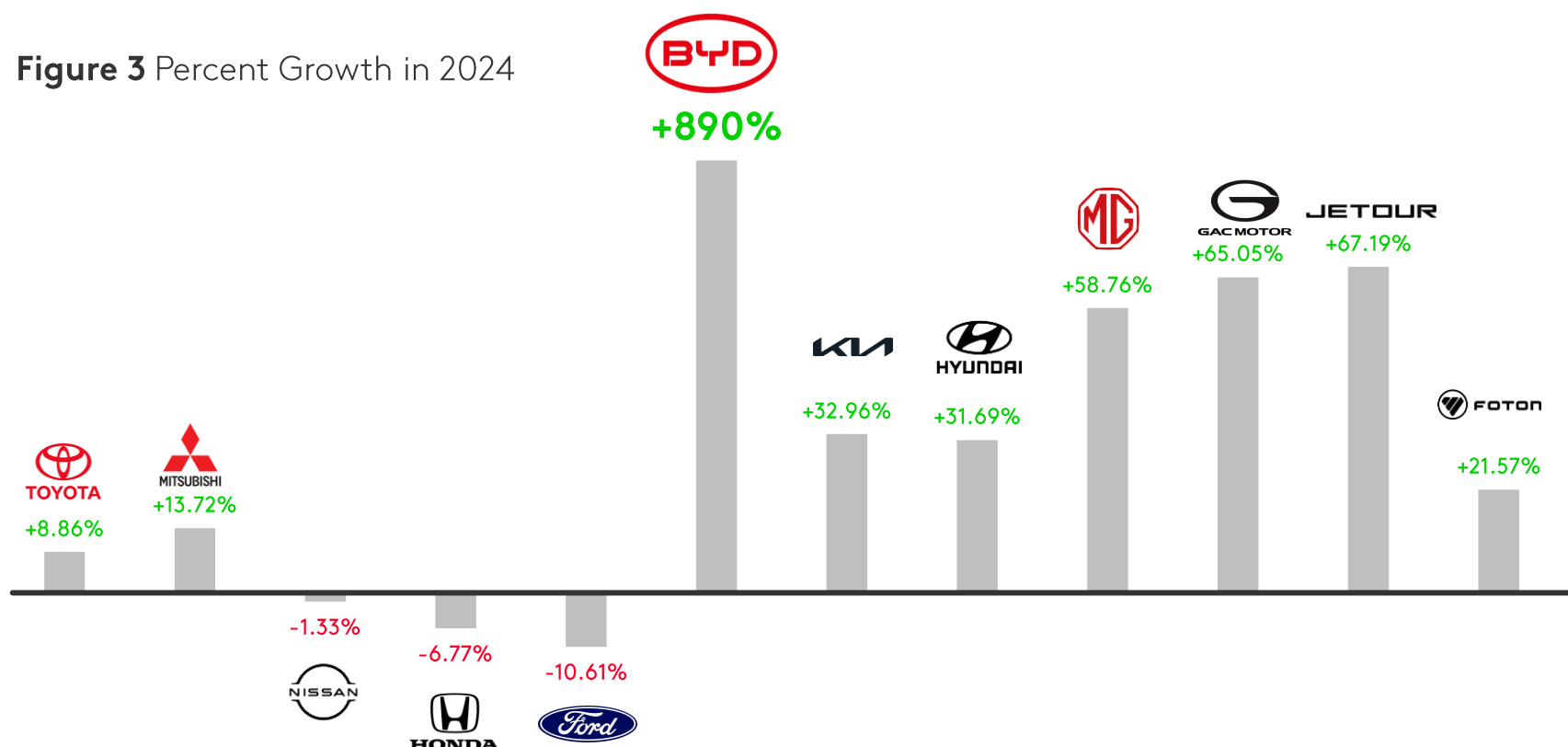
Figure 2 Proportion of vehicles bought in 2024



Specific to market players, while top brand nameplates remain unchanged based on volume sales and market share, the face and pace of Philippine auto landscape are significantly changing. More and more brands (small yet established + newcomers) are catching up and growing fast, posing immense appeal and innovation threat to the long-established Japanese and American makes (Toyota, Mitsubishi, Nissan, Honda, and Ford).

To name a few gamechangers, BYD, KIA, Hyundai, MG, GAC, Jetour, Foton, showed strong sales momentum in 2024 – a feat generally sustained at the start of 2025.

Figure 3 Percent Growth in 2024





Aside from unit sales, the recent **Manila International Auto Show 2025 (MIAS)** is likewise a clear testament to the significant pivot in the evolution of the Philippine auto industry – participating brands are mostly Chinese brands that showcase the latest innovations in electrified vehicles (EV).

 <p>BYD eMax7 Full EV</p>	 <p>Kia EV9 GT-Line Full EV</p>	 <p>GAC M8 PHEV</p>	 <p>Nevo Q05, Hunter K50, Lumin EV, Nevo A05 Full EV and PHEVs</p>	 <p>MG ZS Hybrid HEV</p>
 <p>Aito M5, M7, M9 HEV and Full EV</p>	 <p>Bestune Pony Full EV</p>	 <p>Lynk & Co 02 EV Full EV</p>	 <p>Jetour T2 Lightning i-DM PHEV</p>	 <p>Chery Tiggo ReV CDM HEV</p>
 <p>BAIC B60 Beaumont rEV HEV</p>	 <p>Suzuki Dzire Hybrid HEV</p>	 <p>Omoda Jaecoo J7 SHS PHEV</p>	 <p>Hyundai Elantra Hybrid Premium HEV</p>	 <p>Vinfast VF6 Full EV</p>

This auto landscape dynamics happening in the country reflects a much larger scale mobility trend – i.e., “China” and “EV” as key forces driving the shifts in the industry.



Understanding the depth and breadth of EV's growth

While internal combustion engine (ICE) vehicles still comprise majority of the market, one cannot turn a blind eye on the increasing appeal of EVs. Some countries had even set targets on eliminating gasoline and diesel-fueled vehicles.

As one joins the conversation on this paradigm shift and sees how it unfolds across markets, one cannot speak of EV without referencing to China as it is a global powerhouse in the EV industry, contributing to **70% of 2024 EV global sales**.

Figure 4 Combustion Going Bust: Global Phase-Outs of Gasoline Cars

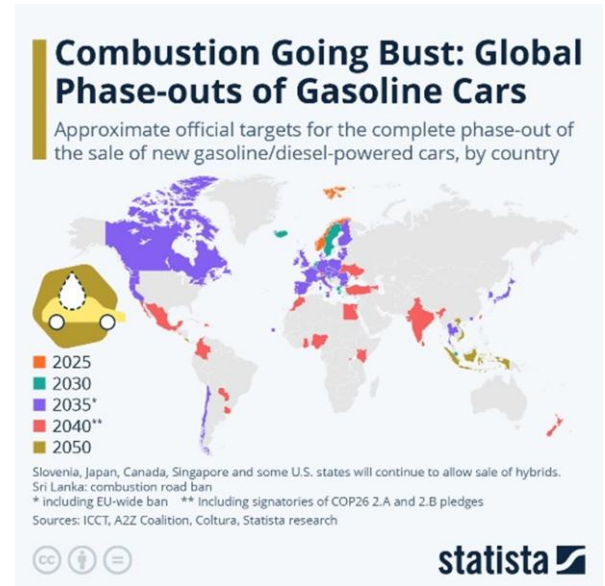
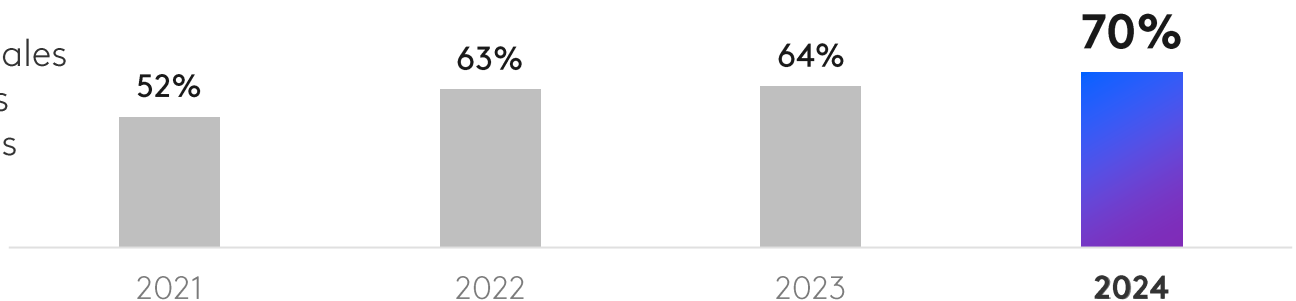


Figure 5 Year-on-Year Sales Performance for China's new-energy vehicle sales



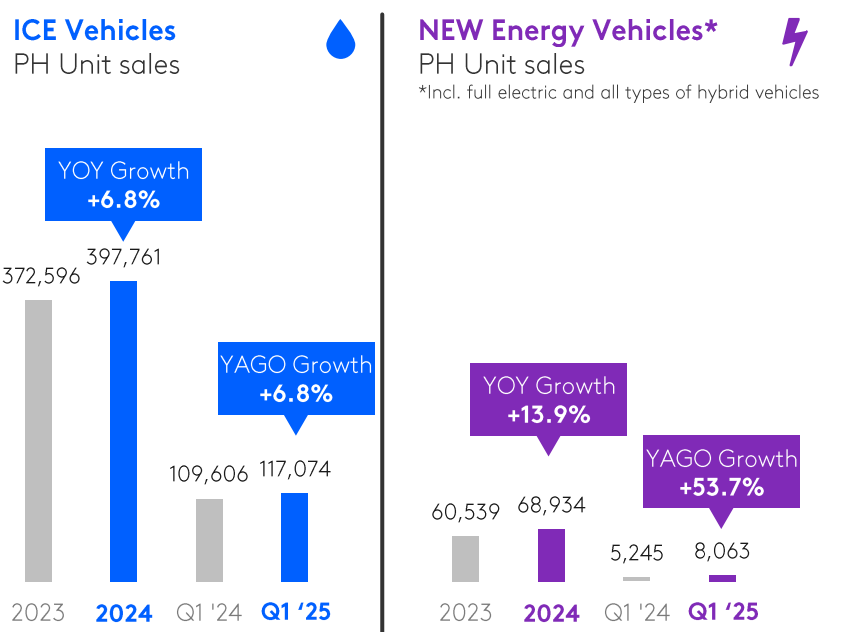
Within Southeast Asia, EV is expected to grow at a CAGR of **12% from 2025-2032**.

Among SEA countries, it is in the Philippines where EV took quite a while to kick-in. It was in 2024 when we saw significant traction in EV sales (even growing faster than ICE).

Factors facilitating EV traction in SEA are:

1. option variety given increasing availability of multiple brands and model offerings;
2. growing battery production capability and advancements;
3. improving charging infrastructure, and
4. stronger government push in the form of incentives.

Figure 6 ICE and New Energy Vehicle Sales



What's next for EV in PH?

First, EV traction in PH is expected to continue growing as awareness and consideration for it improves (~90% awareness, ~50% definitely consider to buy, based on Kantar 2024 nationwide automotive surveys).

According to CAMPI, EV is poised to grow by **7% in 2025**.

Key EV purchase motivators in PH revolve around



1. cost savings
2. tech advancement and performance, and
3. government-initiated incentives.

While sustainability, in some ways, plays a role in EV adoption in PH (most especially among EV owners and intenders), its influence may not be as strong yet as the clamor and need for economization. This is validated in the recent car clinics that Kantar has done. The sustainability benefit is more potent among EV adopters already. But for those who are still ICE owners and intenders, the shift to or appeal of EV sprouts from the need to economize. This is very relevant given high petroleum prices and cost of maintenance in the Philippines.



Figure 7 Valenzuela Police, city offices get 41 new electric vehicles



Valenzuela is LGU with largest EV police force: With the mission to make Valenzuela more livable, the city government, under the leadership of Mayor Wes Gatchalian, formally turned over 35 electric BYD vehicles to the city police, along with five service EVs and one rescue unit. Driving public service forward with clean, sustainable mobility, the city also inaugurated an EV charging station at the ALERT Center, one of 22 hubs under the 'Go Green Valenzuela' initiative. Valenzuela sets the pace as the LGU in the country with the largest EV police fleet – a bold step in innovation, efficiency and environmental leadership.

Strong government push plays a positive role too. The Electric Vehicle Industry Development Act (EVIDA) is a landmark legislation that shows the Philippine government's commitment to promote and encourage EV adoption. Some "enablers" as part of this law are tax exemptions for EVs which lower overall purchase cost, financial grants incentivizing EV buyers, and number coding exemptions. Local Government Units (LGUs) are likewise showing stronger push for greener and cost-efficient transport. Just recently, the Valenzuela City made noise and was hailed for going electric for their police patrol vehicles.

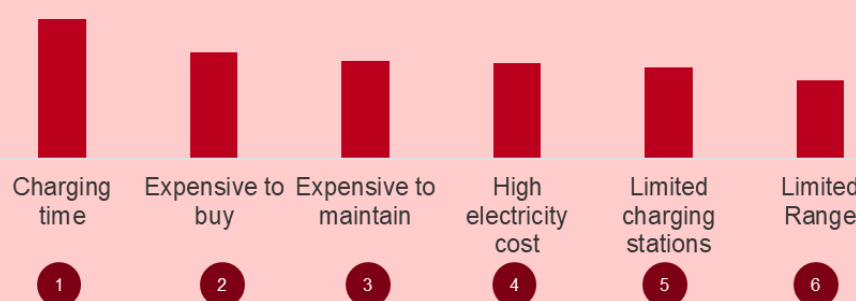
🔗 EV sales in PH seen hitting 20,000

🔗 Valenzuela police get 41 new EVs

Second, Chinese brands will continue to grow and grab shares from Japanese manufacturers. Given the changing competitive landscape, gone are the days that Japanese-make brands hold strong command on consumer appeal. Kantar’s 2024 nationwide automotive surveys showed that while some reservations on Chinese brands remain, the trajectory is heading towards greater acceptability.

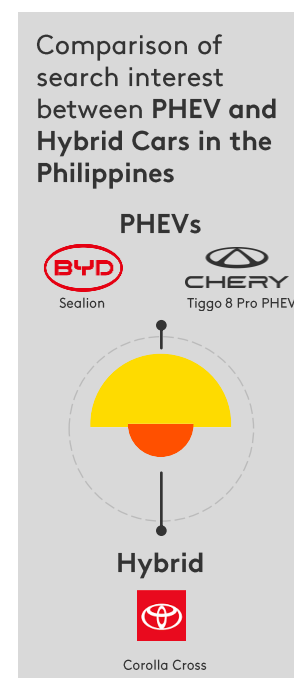
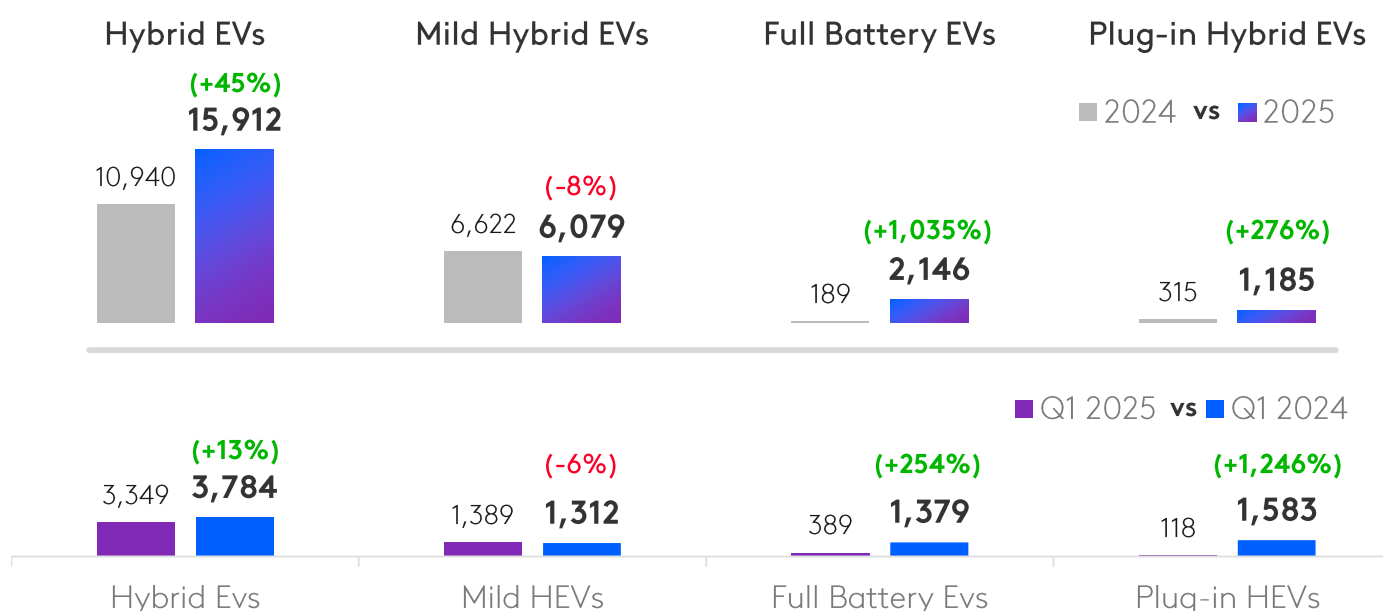
Barriers to EV adoption is becoming less and **less about Chinese brands but more about the availability of infrastructure and overall driving and ownership experience** given relative novelty.

Figure 8 Top Barriers from buying an NEV
(% of people who mentioned, Base: n546)



Third, while HEVs remain the biggest, BEVs and PHEVs grow faster among the EV types. Kantar Digital Analytics shows that there’s increasing online searches and conversations about PHEV in the Philippines (and even in SEA at large).

New Energy Vehicles in PH – Unit Sales



PHEV is likely the “most EV” that Filipinos can embrace for the next couple of years since it is a “safer” and practical choice for those who are already willing to embrace EV but still faced with some worries on reliability and availability of charging stations, a common dilemma within SEA where the development of EV charging infrastructure is still underway.

Fourth, as part of educating the market and eliminating consumer anxiety over EV, we can expect EV players to invest more on communicating about:

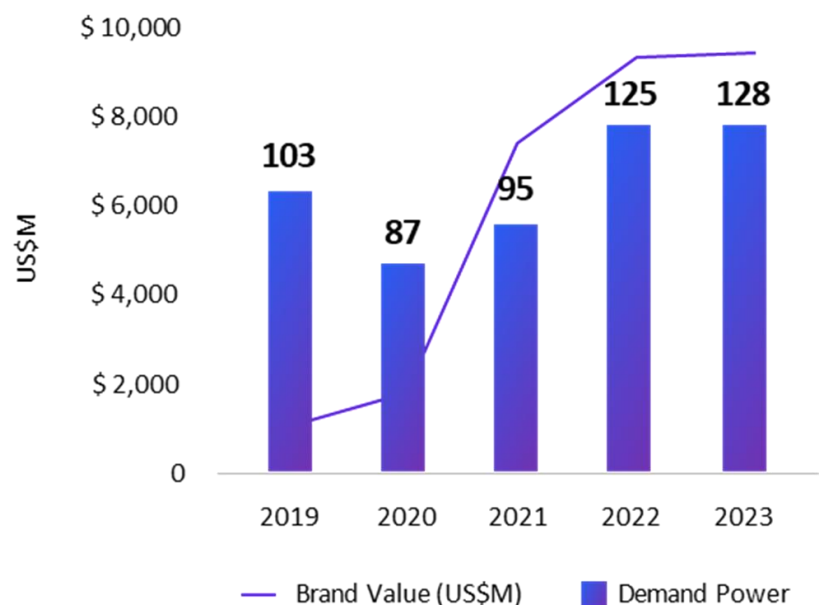
1. battery life, range, safety, quality, and warranty;
2. EV's ability to weather the rainy season and safety in flooded situations; and
3. suitability for both city and off-road driving.



Lastly, EV players' long-term success needs to be hinged on a much deeper consumer connection, beyond just functional delivery and innovation.

This is particularly critical as EV brands go head-to-head with established nameplates in the automotive industry. Let's take the case of BYD, one of the fast-growing brands in PH and a leading global EV brand.

Figure 9 BYD Brand Value and Demand Power

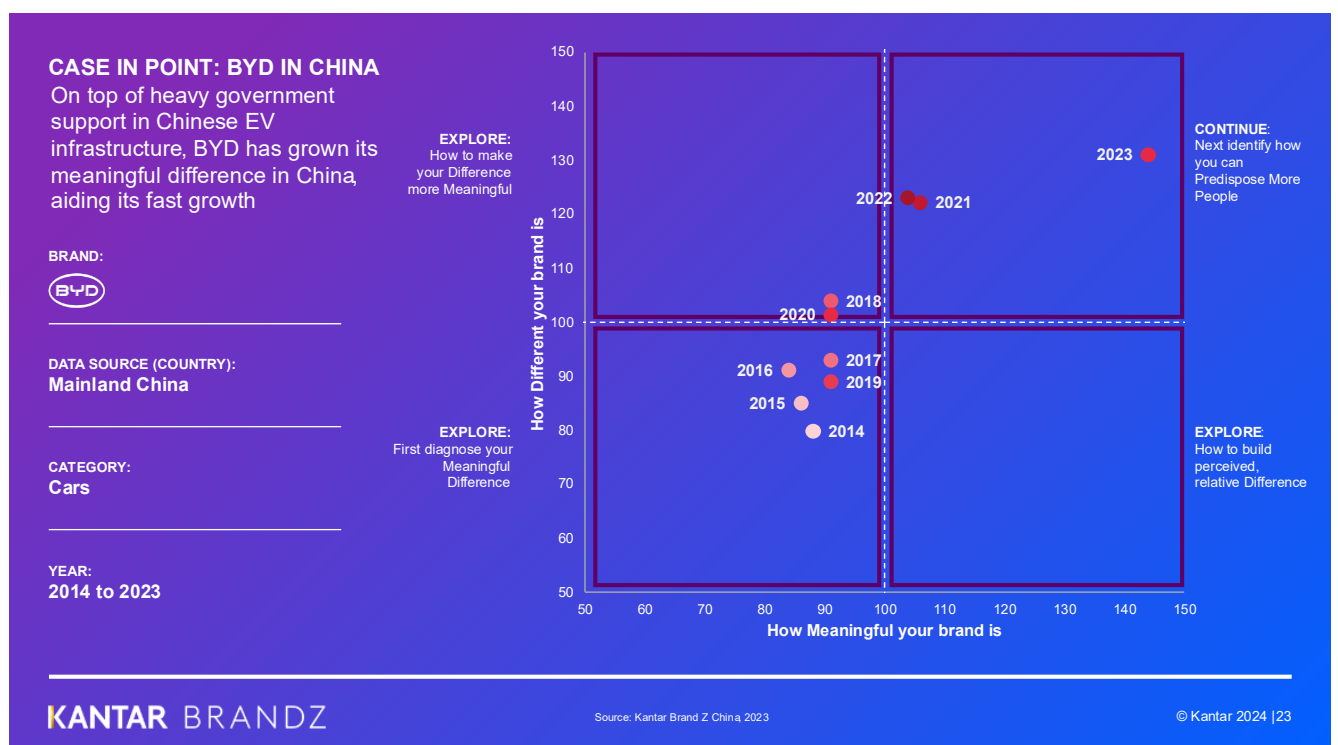


BYD is consistently featured in Kantar BrandZ's top 100 brands in China since 2023.

Figure 10

From 2014-2017, BYD was building its appeal at a modest pace. In 2018-2020, the brand was already creating incremental differentiation.

It was in 2021-2022 when it successfully linked its perceived differentiation with consumer relevance and emotive appeal. From 2023 to present, BYD displays rapid trajectory to the top, evidenced both by fast growth in brand value and equity



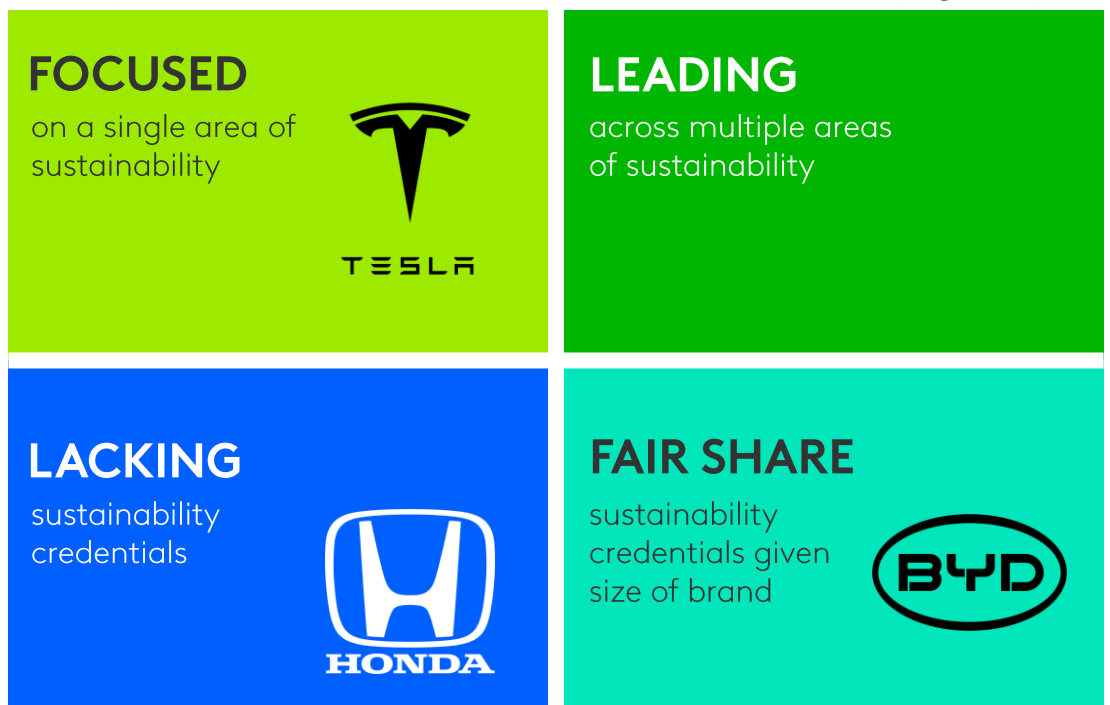
Sustainability narrative can be one potent route to driving EV brands' meaningful difference. The current softer focus on sustainability amidst the growing electrification trend seems to be the case at the global automotive landscape.

Kantar BrandZ shows that sustainability perceptions remain a whitespace in the automotive sector, even leading EV players are unable to show competitive advantage in this front. But as markets such as the Philippines advance and EV adoption progresses, improving sustainability perception will eventually form part of EV players' overall brand strategy and positioning.

In the global automotive sector, no brand is leading on sustainability perceptions

Sustainability is a white space opportunity in this sector. Even leaders in EVs have not taken ownership of this space.

Example Auto brands in the 4 sustainability groups



Brands assigned to 1 of 4 groups based on consumer perceptions of sustainability credentials

Conclusion

Overall, the Philippine automotive industry is undergoing a significant change – one that immensely shapes the competitive landscape, putting so much pressure to innovate and adapt to consumers' evolving needs to stay connected, relevant, and differentiated.

Kantar is the world's leading marketing data and analytics business and an indispensable brand partner to the world's top companies. We combine the most meaningful attitudinal and behavioural data with deep expertise and advanced analytics to uncover how people think and act. We help clients understand what has happened and why and how to shape the marketing strategies that **shape their future**.

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