

THE GLOBAL BUSINESS ENVIRONMENT (LCBB4005)

Electric vehicles in Europe

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1.

We are in the beginning in a new era for automotive industry and revolution path, called Electrical vehicles. Even in a dawn period. There are major forces, shaping and promising for complete changing in the whole motor industry. We are living in century with two main points. The first one is the developing of the technology with a massive speed and the second one is a serious and global problem that is treating humanity, but exactly the poisoning of the planet which is leading to a huge climate changing issue. Electric vehicles are not only a brand new and rising technological factor, but also a good "friend" to the environment. In nowadays governments

are playing the most important role by supporting the revolutionary product with different kind of subsidies, benefits and creating infrastructure for the new automobiles.

However, the future of Electric cars was not so bright at the beginning of the century... We will have a look into the past and how the things changed the situation to these days and will see what future presenting to us. We will also concentrate to Europe as the most supportive government for the new product.

The birth of the electric cars was in 2001 by General Motors in United states of America, it become highly popular for the wealthy class as well as for famous Hollywood actors. When with a fast reaction US government stopped the evolution of the new industry for a while. But why US politics stopped the progress?

According the officials, the issue was because of safety reasons but the most believable reason is most like the oil. As we know USA is one of the top countries in the world with a great stock of oil and meanwhile with a big national debt. Allowing the development of these cars would be catastrophic for the country. However, you cannot escape from the future. The beginning of the new era in the industry would happen soon or later. And the future did not come late.

In the beginning of 2010s Europe is in process of initial adoption phase of electronic mobility. when everything starts the sales of the new cars was not so impressive as the Norway and little bit Netherlands stands out compared with the other European countries. By the time the things have changed and year after year the progress is visible, EU model launches doubled in 2013 compared by

2012 and it is projected to grow be half of the double (50%) to 2014. There is few types of electric automobiles but the most popular across European citizen are HEV (hybrid electric vehicles) and BEV (battery electric vehicles).

As anything revolutionary and brand new in our history, people taste it carefully at its creation, before to come the moment when greedily to consume it. Very typical examples are the birth of TV and the birth of Internet, how it was and how they are now.

This progressing is detectable by lots of company, but only few of them are making global changes to their politician and reconstruction of the workplace, these company aim to gain a competitive advantage in the future. One case for such of company is Volvo. All new cars launched by Volvo from 2019 onwards will be partially or

completely battery-powered, in what the company called a “historic end” to building models that only have an internal combustion engine.

Between 2019 and 2021, the firm will introduce five 100% electric models, and ensure the rest of its conventional petrol and diesel range has a hybrid engine of some form. It is the first major manufacturer to make such a bold move.

The three main engines that determine evolution for electric cars are:

consumer demand

industry developments

government stimulus.

Beginning of the adoption of the new cars in Europe was not go that smoothly, the low awareness for people mentioned earlier for the revolutionary product, high

cost and range anxiety appears to be barriers for customers. With the time different kind of factors are trying to eliminate or at least to weaken the negative ones

Additional benefits are afforded to drivers of electric vehicles. These benefits may include preferential parking permits in dense urban areas (e.g., City of Amsterdam) or the ability to drive in bus and taxi lanes and save considerable time during rush hours. As well as exemption of purchase tax, VAT, toll road charges, registration tax, and annual circulation tax is playing a gigantic role in the promotion of the cars. Meanwhile the desire to reduce their carbon footprint is a motivator for environmentally conscious consumers. So, thanks to the European governments the future of the new automobile is more than bright. The everyday development

in this product can make us think that the end of petrol cars is in the end and this is maybe a great financial opportunity to research more about all kind of businesses connected with the new era and eventually invest in them while their stock and shares are still low.

2.

The entering process of the electric vehicles it is not just about cars, plenty of new businesses can emerge on the global economic market. The main that should come to our minds is the charging stations. The charging of these types of cars it will be a must, so the built of such a infrastructure will be a common business. Even now where the electric automobiles are not so popular, we can see often and often stations placed in different places, like hotels, supermarkets, parkings etc. around Europe. Another huge business opportunity for an entrepreneur is electric car repair and services garage. New generation, new tools.

In nowadays we can see so often the typical car repair garages, but with the time they will disappear and will be replaced with the new generation ones. That means if a nowadays garage want to operate in future, it must totally transform itself. The same thing is concerns to car wash as well, as the equipment involved in present days cars will be much different when is about electric cars and of course, shops connected with any kind of automobile supplements and accessories will be different and most likely one of the most common product will be batteries. So, that what we cannot see today will be everywhere in our near future, the whole new vision will apply in our daily life and all this connected with the new revolution - Electric vehicles.

However, the business opportunities shown above are must, but also what kind of other business may exist connect with

this industry. Starting an electric cars new TV program is an interest way to gain profit, especially if your program is well organized, you will attract sponsorship deals from electric cars manufacturers, players in the electric cars industry and even government agencies. Electric cars, magazines, mobile application, websites and so on will be around us as well. So all this are maybe great opportunities for business especially now when the market development is low or almost does not exist.

On other hand there are going to be businesses that will meet hard times. For example, the oil sector in present days is a huge industry for billions of pounds, even right now it is difficult to predict what exactly is happening in this industry but with the progress that electric motor industry providing we can easily guess that to invest in oil sector will bring losses. Of course, the petrol industry is well to

powerful and would not going to disappear, but hardly would be able to ever bring back the position they have now in the world economy. Other businesses who will struggle are the provider of tools, parts and different kind of accessories for the nowadays cars. Such products will surely be gone, but big companies make them now should stay at the market, they will lose a lot, but they have enough experience in these branches to transform themselves for the new environment. However, right now it is not good idea for invest there, but if you follow the progress of the electrical vehicles and keep an eye of this companies, then the best option is to invest when they barley cannot dropped any more position on the market. Another businesses are the companies creating cars. Some of them will not be able to survive in the new environment due to the fast reaction of transforming themselves,

but some of them will be able to implement into the new climate. However in in this cases companies like Volvo which are already starting to change to the new revolution industry now is going to be one of the top then as not only they will have a solid advantage compared to other manufactories but also they will spend less money for transformation and reconstruction due to the not so popular in current days supplements for electric vehicles. As it is expected as much as popularity the industry gain the much more expensive will be parts and any kind of supplements begun. And of course, this will be till one time when other competitors come on the market the prices will regular their normal value.

It is way too hard or even impossible to success in present days already made big industries, but today is the perfect day to

be a future shark in this new revolutionary industry called - Electric vehicles.

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