

SUSTAINABLE TRANSPORT: EXECUTIVE SUMMARY

- ❑ “Sustainable Transport” covers a wide range of transformative themes – biofuels, electric vehicles, low emissions technologies, energy efficiency, “smart” transport ...
- ❑ ... which will have an enormous impact on the transport sector over the next 10-20 years, and address multiple societal challenges – climate change, pollution, energy security, resource scarcity, urbanisation/development
- ❑ Electrification of 2-wheel vehicles (scooters, bicycles) is happening quickly, but is slower for cars (<0.2% share in 2013); while most leading OEMs have introduced models, major challenges include range limitations, charging infrastructure, cost (batteries)
- ❑ The US, China & Japan are currently leading EV deployment (thanks largely to incentives), although European OEMs are at the vanguard of platform development
- ❑ As the major cost/performance impediment, battery sector developments (technology, economies-of-scale) will be a key enabler of accelerating EV penetration
- ❑ ICEs look set to remain dominant over the medium-term, but there is a clear transitional pathway (HEV, PHEV)
- ❑ Investor focus on failures (BetterPlace, Fisker, Coda, A123) starting to recede, given the resounding success of Tesla & Uber
- ❑ Traction for start-ups in the Sustainable Transport sector is challenging given long commercial adoption cycles, complex customer supply chains, entrenched (& innovative) incumbent OEMs; a key challenge for start-ups is establishing scalable testing fields
- ❑ Relative to other Cleantech sectors, VC/PE investment in Sustainable Transport has remained relatively robust the past 3-4 years, although the subsector mix has varied significantly; particular interest in “smart” transport companies