

to the pandemic's horrific human toll, key governments have doubled down on their EV strategies in countless stimulus and recovery packages.

At the forefront are **Europe's** multilateral and national efforts to stimulate consumer demand for EVs – while perhaps as importantly foregoing the easier option of simply offering cash-for-clunker type support for conventional cars (which was part of government responses to the GFC recessions in Europe and China).

- Aside from direct consumer stimulus, nearly all of Europe's powers that be are pushing EV infrastructure development – ranging from multiplying charging options to enhancing electrical grids.

China, (as well as Japan and South Korea) similarly target their EV sectors with government support. In April China decided to extend EV subsidies for another two years through 2022 (though at a slightly reduced rate and only for very cheap vehicles, [link](#)). **We expect China will continue with subsidies until cost parity renders them unnecessary**, but this will be important to monitor.

India is an exception. Hard hit with the pandemic and without as much economic resilience, Prime Minister Modi's government has not been able to follow through to anything like the extent of Europe or its Asian counterparts on plans to further green its energy consumption – solar installations are lagging far behind projections, for instance. Nor does India have much of a presence in the global car manufacturing competition or is it particularly far along in even its conventional transportation-infrastructure build out.

The United States, in this context as well, is much less driven by national policy. Covid-19 related deflation has arguably further reduced the appetite for EVs though plausibly that has much more to do with an overall dearth of big-ticket discretionary spending in general. And Washington has just *reduced* federal fuel-efficiency directives.

- Much, in other words, hinges on the early November elections. Were there to be a turn toward the Democratic Party, we'd expect things like more targeted national environmental policies in general and things like higher CO2 emission costs specifically, to favor faster growth of EVs than there'd be in a Trump II administration.