Economic Research Unit

Economics Weekly

Bank of Ireland

Electric car sales rising but still behind longer term targets

This morning's CSO data showed that new electric car (EV) sales in July were 7,216, up 82% when compared to July 2025. For the January to July period, sales of EVs were up 57% over the same period last year. The rise in fuel prices and continued Government incentives such as the ICE2EV scrappage scheme, alongside more electric options from manufacturers, are moving the car sector past early EV adopters and into more mainstream with the share of fully electric new car sales at 26% of total new private cars in the first 7 months of the year, compared to 17% for the same period last year. However, other CSO data published recently show that EVs currently make up just 4% of the national fleet, well behind schedule for the Government Climate Action Plan target of approx. 30% of the fleet to be electric by 2030.

Electric cars increasingly popular: This morning's Central Statistics Office (CSO) data showed that there were 20,322 new private cars licensed for the first time in July, up 2% compared to July of 2025. With the new 262 registration now available, July is a key month for car sales and typically the first seven months of the year cover about 80% of annual sales. Electric sales were also boosted this month by the fully allocated ICE2EV scrappage scheme where up to 2,000 pre-2013 petrol and diesel cars were traded in for an enhanced €8,500 grant towards an electric car. Electric car sales were up 82% for the month of July alone to 7,216.

While the scheme did have an impact, the composition of sales has been changing quite a bit over the past year. New electric car sales were up 57% in the first seven months of 2026, to 26,796, and make up 26% of total sales so far. Non-plug-in hybrids were up 15% to 26,467 while plug-in hybrid were up 1% to 14,896. Sales of fully petrol cars were down 22% to 20,620 and diesel cars were down 24% to 12,687. Diesel cars, which pre-Covid would have a 40% to 50% share of the market, now are just 13% of sales while, so far this year, about two in every three cars sold have been electric or hybrid.

Moving past early adopters: The economic case has been moving in favour of EVs lately and adding to the environmental benefits. The war in Iran has increased petrol and diesel prices at the pump (notwithstanding the Government's time-limited excise reliefs) with the full impact of higher energy potentially not yet in domestic electricity tariffs. There also remains significant Government incentives such as grants towards VRT relief, ICE2EV scheme, charger grants and lower motor tax. In combination with the increased take up of home solar, also benefiting from Government grants, the economic case for owning an EV has become stronger.

Fleet composition shows EV take up behind target: The CSO's recent vehicle fleet statistics show, however, that despite increasing EV ownership, Ireland is still some way behind the target set in the Government Climate Action Plan. In June of this year, there were 134,475 fully electric vehicles in the total vehicle fleet of 3.34m or a share of just 4%. The EV stock has risen by 39% in a single year suggesting adoption is being more widespread. 80% of EVs in the stock are less than five years old while nearly 50% of them are in counties Dublin and Cork, not surprising given that the case for EVs is stronger for urban driving. The latest passenger vehicle EU data based on the year 2024 shows Ireland in somewhat of the middle ground compared to our peers. At that time the EU-27 passenger EV stock average was 2.2% and Ireland's passenger EV stock was 3.1%, enough for ninth highest in the EU but well behind Denmark at 12% and Sweden at 7.2%, first and second respectively.

The picture is less promising when assessed against Government targets in its Climate Action Plan. This plan targets a reduction in carbon emissions from the transport sector of 51% by 2030 over the 2018 baseline. A significant part of this plan is to increase the share of EVs in the national fleet to about 30%, or 945,000 vehicles (of which 845,000 cars) by 2030. While there is now fairly solid and rising EV adoption, and even assuming that EV sales average 50% of total car sales over the next three years until 2030, it's difficult to see how the passenger fleet rises to even close to the Government's target in the time remaining. For its part, the latest Environmental Protection Agency assessment of the Climate Action Plan says while projections for EV uptake have improved they are now projecting 751,000 EVs in the fleet by 2030 (which still seems ambitious based on the data) with the transport sector as a whole only reducing emissions by 28% by 2030.

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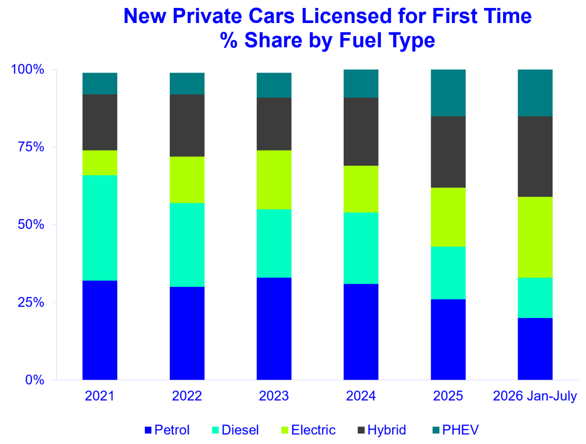
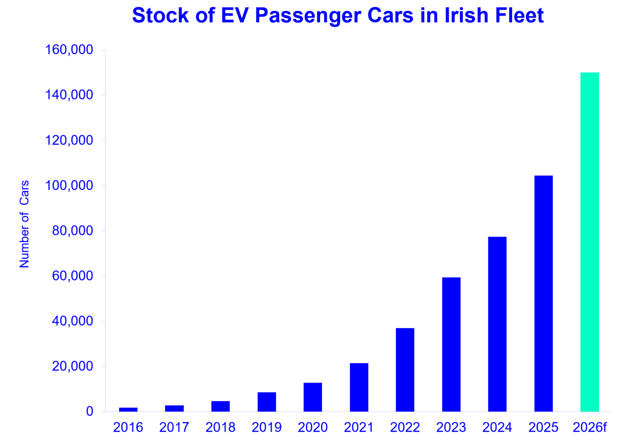


Source: CSO



Source: CSO and BoI calculations

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