

- Over the past decade, a significant structural shift has occurred in the automotive industry, with consumers increasingly favouring larger and less fuel-efficient vehicles, commonly known as Sport Utility Vehicles (SUVs)<sup>1</sup>.
- This trend has a global footprint, as evidenced by 2022 data showing that SUVs accounted for approximately 46% of worldwide car sales, with notable surges in popularity recorded in the United States, India, and Europe. In China, SUVs have become status symbols denoting wealth, while India is experiencing changing consumer preferences as more individuals can afford these vehicles. Similarly, in Africa, rapid urbanization and economic development have led to a relatively robust demand for premium and luxury vehicles.
- Alarming environmental consequences accompany this trend. The 330 million SUVs currently on the road collectively emit nearly 1 billion tonnes of CO<sub>2</sub>. In 2022 alone, CO<sub>2</sub> emissions related to SUVs surged by almost 70 million tonnes.
- Putting this into perspective, if SUVs were treated as a single country, they would rank as the world's sixth-largest emitter of CO<sub>2</sub> in 2022.
- The shift towards heavier and less fuel-efficient conventional vehicles contributes to increased oil demand and CO<sub>2</sub> emissions. SUVs, on average, consume over 20% more energy than medium-sized cars when covering the same distance. This energy consumption disparity varies by region, with the European Union and India seeing approximately 10% higher energy consumption in SUVs due to the prevalence of crossovers (small SUVs).
- An interesting development is the growing prominence of electric SUVs. In the past year, they accounted for over half of all global electric car sales. Out of the 400 electric car models available in 2022, approximately 55% were SUVs, a notable increase from the 40% figure four years prior. However, it's crucial to note that more than 98% of SUVs currently on the world's roads are still powered by internal combustion engines.
- While current discussions often centre on electric vehicles and improvements in fuel efficiency, it's essential to recognize the role of the average car size within the fleet. Larger and heavier vehicles, such as SUVs, present greater challenges in electrification efforts, potentially hindering the progress towards cleaner and more efficient car fleets.
- To address the emissions from SUVs, the policy framework should prioritize measures to curb their proliferation. Policies should encourage a rapid transition to electric vehicles while providing incentives for the early replacement of petrol or diesel-powered SUVs. Maintaining vigilance over the average vehicle size in the fleet is crucial. Additionally, larger cars place greater demand on critical minerals, given that battery-powered electric SUVs typically feature larger batteries (around 70 kilowatt-hours) compared to the average electric car (around 50 kilowatt-hours). Some governments, like France and Germany, have already implemented measures, such as taxes on large and high-emission vehicles like SUVs. Further policies targeting SUVs will be instrumental in achieving a sustainable and low-carbon road passenger sector.

Useful material: <https://www.iea.org/commentaries/as-their-sales-continue-to-rise-suvs-global-co2-emissions-are-nearing-1-billion-tonnes>

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<sup>1</sup> The definition of SUVs varies by country but goes beyond a passenger car with features from off-road vehicles (i.e., 4 X 4). This analysis includes in the Sport-Utility Vehicles category smaller SUVs, known as crossovers, as well as the larger ones. An average SUV in America falls under the large SUVs category, but crossovers are the most popular options in the European market.