

# BEV prices fall in Europe and USA, but remain double the cost of those in China

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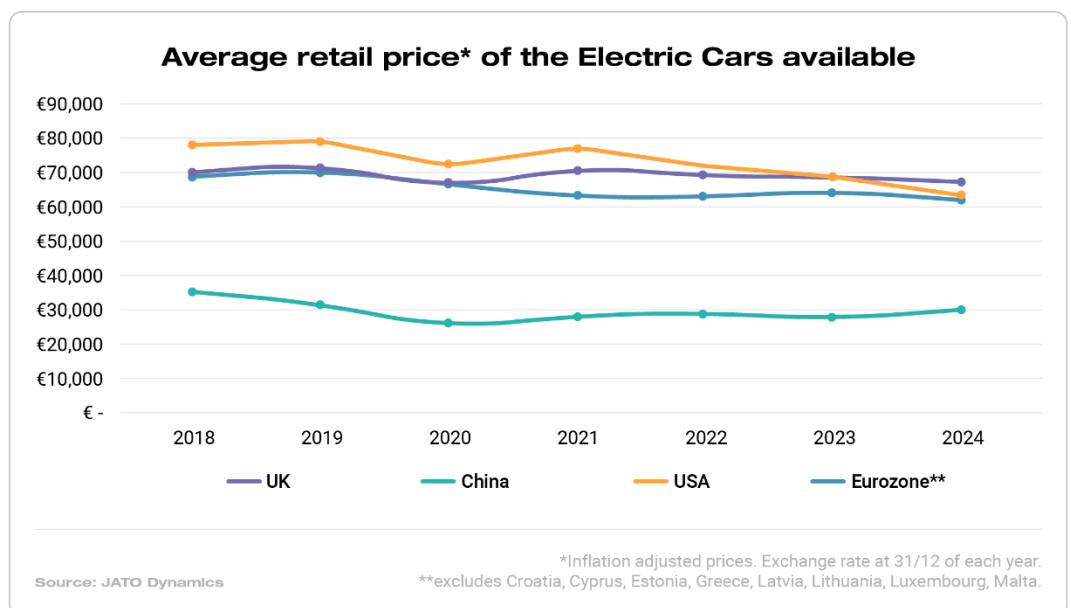
- Decline in the BEV-ICE price gap has led to greater uptake of EVs in Europe as models become more accessible and affordable
- Despite this, the high cost of Western BEVs remains a barrier to entry for consumers, while Chinese manufacturers now offer electric cars for as little as €3,250 in China

Despite continuous efforts from legacy carmakers to make electric vehicles more affordable, a significant price gap between BEVs and internal combustion engine (ICE) vehicles remains.

This is according to JATO Dynamics' latest report, ['Closing the gap: The progress towards affordable EVs and the rising competition from China'](#), which explores China's unrivalled ability to produce affordable BEVs and its role in the global switch to electric vehicles.

Within the Eurozone, the price premium – the additional cost a buyer has to pay for a BEV over an ICE vehicle – has dropped from 53% in 2018 to 22% in 2024. The average price of a BEV in the region has dropped by 15%, while the average cost of an ICE has risen by 7%.

A similar situation has unfolded in the UK, where the BEV-ICE price gap fell from 51% in 2018 to 18% in 2024. This was caused by declining prices of BEVs (-11%) and rising prices for ICE vehicles (+14%). Similarly, in the US the BEV-ICE price gap dropped from 53% in 2018 to 15% in 2024. However, in this case, the price of ICE vehicles did not increase, while the cost of BEVs in US dollars declined by 25%.



“The narrowing of the BEV-ICE price gap cannot only be attributed to the availability of cheaper BEVs on the market. Although carmakers' electric offerings are improving in terms of both quality and affordability, ICE cars have risen in price overall,” commented Felipe Munoz, Global Analyst at JATO Dynamics.

“This is a result of factors such as increased regulation, stricter standards and the introduction of more high-tech features, all of which have combined to hike the final retail price of these vehicles. In the meantime, electric cars have benefitted from lower battery costs, which has caused BEV prices to decline,” Munoz continued.

Despite this, the contrast between the situation in the West and China is stark. Within the Eurozone, the average retail price of a BEV was 118% higher than in China in 2018. In 2024, this figure totalled 111%. A similar situation has played out in the UK, where the price gap increased from 100% to 122% over the same period. In the US, the gap decreased from 125% to 109%.

This means that China is moving faster than the West to develop more affordable BEVs. As countries across the globe shift from fossil fuels to cleaner sources of renewable energy, China’s competitiveness in the electric vehicle market puts it in a commanding position.

“China is already one of the major players in the automotive space, and this is not something that is going to change any time soon. After all, a Chinese BEV is likely to be more appealing to consumers than a comparable model from a Western automaker, simply due to the enormous price difference,” Munoz concluded.

To read the full report, ‘Closing the gap: The progress towards affordable EVs and the growing threat from China’, please click [here](#).

## About JATO

JATO Dynamics, founded in 1984, now has representation in over 51 countries around the world. We provide precision under pressure, providing the world’s most timely, accurate and up-to-date automotive information on vehicle specifications, pricing, sales and registrations for over 30 years. We offer more than just data, as we’ve watched the world change, and consumer mindsets alter with it we have been able to offer insights that help inform the industry. We’re able to react to short-term market movements, plan for long-term developments and ultimately to meet the needs of our clients. Visit JATO at [www.jato.com](http://www.jato.com) for more information.