Norway becomes the first country to have more electric cars than gasoline cars, why?

Norway has just reached a huge milestone in the field of electric vehicles.

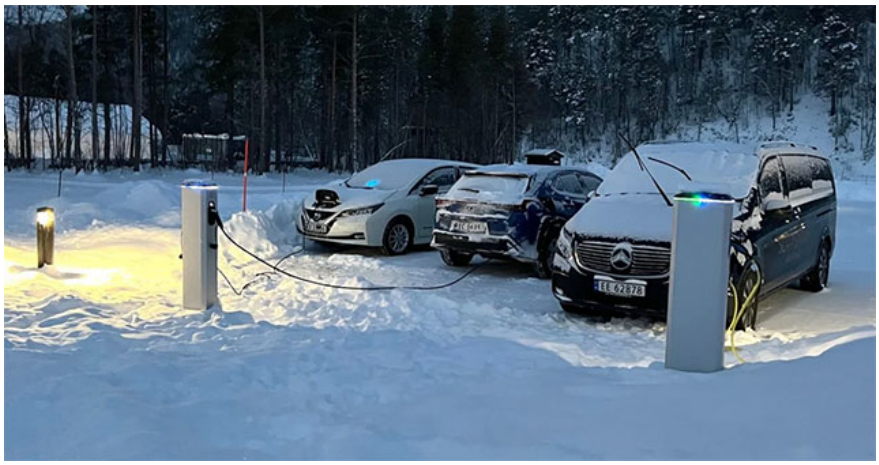
For the first time in recorded history, a country has more electric vehicles on the road than traditional gasoline-powered vehicles. And it's not just that sales of electric vehicles are soaring — Norway is also seeing more drivers driving electric vehicles than internal combustion engine (ICE) vehicles.

According to the latest report from the Norwegian Road Information Council (OFV), as of September 2024, there were 754,303 electric vehicles registered, accounting for 26.6% of the 2.8 million registered passenger cars. This figure is slightly higher than the number of newly registered gasoline cars, which was 753,905.

In the mid-2000s, Norway made a big move toward diesel fuel, along with tax incentives. As a result, diesel cars remain the most popular type of car in the country (999,715), accounting for more than a third of all registrations. However, Norwegian officials expect electric cars to outnumber diesels by 2026—which is no surprise, given that the latest report shows that as of August, electric vehicles accounted for 94.3% of new car registrations in the Nordic country. Tesla's Model Y is the best-selling model.

Norway aims to stop selling gasoline cars by 2025, while many other countries and regions only dare to set a target of 2035. However, they have reached their target early, with the proportion of cars using only internal combustion engines accounting for less than 10% of total car sales in the country as early as 2021.

So why are there so many electric cars in Norway? Should the country be seen as a driver for global electrification in general?



The key lies in policy.

Norway has been very quick to adopt policies around getting people to switch to electric vehicles. In fact, many of the incentives have been in place since the 1990s—even before the country pushed diesel. In the 1990s, the Norwegian government offered EV owners free parking, bus lanes, and other perks. But perhaps more importantly, those perks hit car buyers' wallets directly. For example, the government not only exempted tolls for zero-emission vehicles, but also stopped taxing them. To this day, electric cars and trucks are exempt from sales and emissions taxes.

Of course, these policies had minimal impact at the time—simply because electric cars were still a new concept in the 1990s. And even in the early 2000s, electric cars often came with huge trade-offs. But as Tesla made electric cars cool and ushered in a whole new generation of competition, they became much more affordable to the average income earner.

Similarly, the US government has also enacted its own policies. Qualifying buyers in the US can receive tax incentives of up to $7,500, which has had a major impact on EV adoption. Several states have also enacted their own policies — mostly in the form of additional tax rebates.

However, much of the impact of US policies is just beginning to be felt. With Norway off to a strong start, awareness of tax benefits will be higher and adoption rates will be higher.

Power grid problem

Much of the so-called EV-related grid concern is overblown. Experts largely agree that while the grid needs some improvements and could use more intelligence, it will be perfectly capable of handling the increased adoption of EVs. But that wouldn't necessarily be true if everyone suddenly switched to EVs tomorrow.

Norway is also a leader in energy production. Most of Norway's electricity is actually generated by hydroelectric plants, and Norway has been a leader in hydroelectric technology. Wind comes in second, followed by solar, and coal. Nuclear power in particular holds great promise — but faces challenges with public perception, despite the fact that the technology has become much safer in the past decade or so.

Overall, electric car sales are growing globally, and that's likely to continue as we get cheaper models and better charging infrastructure. However, it's also hoped that government incentives will be rolled out in a way that will help first-time EV buyers make up for the cost difference between an electric car and a petrol-powered car.