

# This Is Why Toyota Isn't Rushing to Sell You an Electric Vehicle

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<https://www.yahoo.com/autos/why-toyota-isnt-rushing-sell-154000759.html>



Photo: Elizabeth Blackstock

[Toyota's hybrid models have been extremely successful](#), so you would think the automaker would be quick to embrace full electrification like some of its competitors. [However, the automaker seems to be taking a somewhat controversial approach to EVs](#), and a leaked dealer document about the brand's electrification strategy lays out exactly why.

A Toyota dealer contact sent me this PDF that was sent directly by Toyota corporate to explain to the dealer network why they should expect to see more hybrids on their lots and not so many EVs or PHEVs.

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## Toyota's Goal: Reduce carbon emissions as much as possible, as soon as possible.



### Toyota's commitments:

Toyota is committed to offering a full array of electrified vehicle options to give all our customers the opportunity to reduce their carbon footprint.

Toyota has committed to be carbon neutral at all our facilities by 2035 and all our products by 2050.

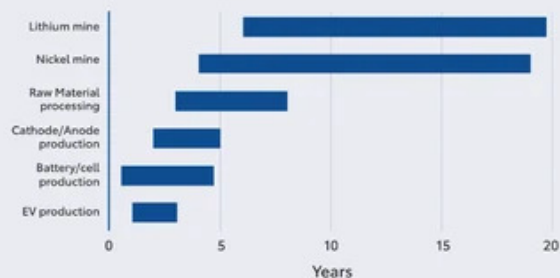
Lexus will be 100% battery electric vehicles by 2035.

### There are **three major barriers** to widespread battery electric vehicle adoption in the United States.

- Critical minerals:** More than 300 new lithium, cobalt, nickel, and graphite mines are needed to meet the expected battery demand by 2035.<sup>1</sup> While US battery manufacturing is expected to increase significantly in the next few years, the pace of mineral mining and processing will not keep up, likely creating an imbalance between the raw materials and final production.
- Charging infrastructure:** Only 12% of public chargers are fast chargers, taking 20-60 minutes to get to 80%.<sup>4</sup> Most public chargers can take anywhere from 8-30 hours to charge. To meet the federal ZEV sales targets, 1.2M public chargers are needed by 2030. That amounts to approximately 400 new chargers per day. The pace in 2021 was around 50 per day.<sup>5</sup> That is in addition to the 28 million private EV chargers needed.
- Affordability:** The average transaction price for a non-battery electric vehicle is \$48,000. The average transaction price for a battery electric vehicle is \$58,000.<sup>6</sup> To make a BEV convenient, consumers will also need to install an at home charger, which adds an additional \$1,300.<sup>7</sup>

#### Battery Electric Vehicle Supply Chain Leadtimes

Range of typical lead times to initial production for selected steps in EV battery supply chain



**Notes:** Lead times for mines are calculated from completion of the preliminary feasibility study to the start of production. For other elements, lead times are calculated from investment decision to production.

**Sources:** IEA analysis based on Hejlen et al. (2021); Benchmark Mineral Intelligence; S&P Global

# TOYOTA

Essentially what Toyota is saying here is that sourcing the materials for batteries is going to dramatically increase and therefore the costs and difficulty of getting those materials will subsequently rise. The automaker's position is that those materials can be turned into a lot more hybrids at more affordable price points versus PHEV and EV models.

Toyota also makes the point that the charging infrastructure in the U.S. right now still has a long way to go before it can handle a proliferation of full EV models on the roadways. The other hurdle for most Americans is that EVs and PHEVs can be expensive compared to their gas or hybrid counterparts. Now that the [Inflation Reduction Act](#) has eliminated a substantial chunk of EV/PHEV vehicles that qualify for the tax credit, [dealers and automakers are reporting a reduced interest in those vehicles.](#)

I can tell you from my own experience as a professional car shopper, I was getting a lot of requests for cars like the [Kia EV6](#) and [Hyundai Ioniq5](#) when those vehicles first launched and they still qualified for the \$7,500 credit. [Now that the rules have changed, customers don't find them to be good values anymore.](#) On the other hand, customer interest in standard hybrids like the [all-new Prius](#) is growing. I've recently gotten more inquiries on that new Prius than at any point in time in my career when I compare it to the previous generations of Prii. I also have clients willing to wait upwards of 9-12 months to score a Sienna because it's a hybrid minivan, as compared to an Odyssey that can be sourced now.

Of course, Toyota still offer EV and PHEV models; [the bZ4X](#) is off to a slow start while the [RAV4 Prime](#) continues to be a hit. The automaker is known for a cautious approach to the market and has historically taken an "if it ain't broke, don't fix it" product strategy. While the future might be electric, for the time being, it seems like the majority of car buyers want something in between.

*Tom McParland is a contributing writer for Jalopnik and runs AutomatchConsulting.com. He takes the hassle out of buying or leasing a car. Got a car buying question? Send it to Tom@AutomatchConsulting.com*

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