Middle East Energy Dubai

From Ambition to Action: How the Middle East Is Shaping Its EV Future

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Introduction

Amid the rising wave of sustainability in the Middle East, a question arises:

Where does the region stand in e-mobility adoption?

Following the uptick of renewables in the Middle East, e-mobility is emerging as one of the key trends in the region. All key states in the Middle East have pledged more than a quarter of electric vehicle penetration in their respective countries by 2030. This has resulted in a significant increase in electric vehicle (EV) sales in the region over the past few years. In addition to fostering healthy demand growth, the situation on the supply side also looks promising. Several global EV players, particularly Chinese original equipment manufacturers (OEMs), view the Middle East as a strategic growth zone.

These developments have alerted policymakers and industry leaders, who closely monitor key aspects of the state of transportation electrification in the region, including the prospects for EV penetration in major Middle Eastern economies, new entrants in the industry making an impact, and the key inhibitors to e-mobility growth. This article will address all these areas and questions.

Policy-Driven Growth: The EV Landscape in the Middle East

To better understand the region's trajectory, it's essential to examine how individual countries are approaching EV adoption through their distinct policy measures, infrastructure investments, and market responses.

United Arab Emirates (UAE):

The UAE is positioning itself as a regional leader in electric mobility through comprehensive national and emirate-level initiatives. The National Electric Vehicles Policy (NEVP) sets a long-term target of achieving 50% EV penetration by 2050, reflecting the country's broader sustainability ambitions.
At the emirate level, Dubai's Green Mobility Strategy 2030 aims for 30% EV adoption within the public sector, targeting 42,000 electric vehicles on the roads by the end of the decade. To support this transition, the Roads and Transport Authority (RTA) is overhauling Dubai's taxi system, aiming to complete the switch to hybrid and electric vehicles by 2027. Plans include introducing 4,000 autonomous taxis and achieving 25% autonomous transportation by 2030.

To further accelerate the adoption of e-mobility, the UAE government has introduced a suite of incentives, including exemptions from registration fees, reduced toll charges, and access to carpool lanes. A unified national charging tariff will roll out in January 2025, setting clear prices of AED 1.20 per kWh for DC fast charging and AED 0.70 per kWh for AC charging. Additionally, the Al Sa'fat – Dubai Green Building System mandates allocating preferred parking for EVs.

Saudi Arabia:

Saudi Arabia is rapidly advancing its electric mobility agenda as a part of its Vision 2030 strategy. Riyadh aims for a 30% EV penetration by 2030, which would equate to approximately 700,000 EVs on the road. The Kingdom also incorporates autonomous technologies into its transportation framework, aiming to have 15% of public transport autonomous by the same year.

Concurrently, the Ministry of Municipal, Rural Affairs, and Housing (MOMRAH) has mandated that 5% of parking spaces in all developments be reserved for EV Charging Infrastructure (EVCI) required in all carparks. These integrated measures reflect Saudi Arabia's commitment to building a future-ready, low-emission transportation ecosystem.

Qatar:

Qatar is making determined strides toward a greener future, with clear goals to transform its transportation landscape. By 2030, the country aims to see one in every ten new vehicles sold powered by electricity and to electrify its public transportation bus fleet fully.

These goals are supported by a comprehensive framework of government incentives, including subsidies and tax exemptions, designed to encourage widespread EV adoption.

Oman:

To achieve its carbon neutrality goals, Oman plans to electrify its transportation sector, with a target of having more than 20,000 EVs on the road by 2030 and reaching nearly 80% EV penetration within the next five years.

The government offers tax exemptions to encourage the adoption of electric vehicles, making electric vehicle ownership more affordable as part of its sustainability and emissions reduction strategy.

Israel:

Israel aims to have 30% of its vehicles be electric by 2030. EVs are taxed at 35%, which is significantly lower than the 60-70% tax on internal combustion engine (ICE) vehicles.

This tax disparity encourages the shift towards EVs as part of the country's sustainability efforts.

Jordan:

Jordan was the first country in the Middle East and Africa (MEA) to import electric vehicles nearly a decade ago. Since then, the government has promoted EV adoption through customs exemptions and simplified licensing procedures.

Powering the Shift: Supply Chain Stability and Localization in the Middle East's EV Push

Building on the region's ambitious EV policies and national targets, the focus is now shifting beyond consumer adoption to the foundational systems that enable large-scale deployment. A stable and resilient supply chain is crucial for achieving sustained EV penetration. Recognizing this, Middle Eastern countries are not only investing in charging infrastructure and policy frameworks but also accelerating localization strategies to reduce dependency on global supply chains and foster homegrown capabilities.

The infographic visually maps key milestones in EV manufacturing and battery investments across the Middle East from 2022 to 2026. It highlights significant developments in the UAE, Qatar, Oman, and Saudi Arabia, showcasing the region's push for localization and industrial growth.

EV Localization Initiatives in the Middle East:

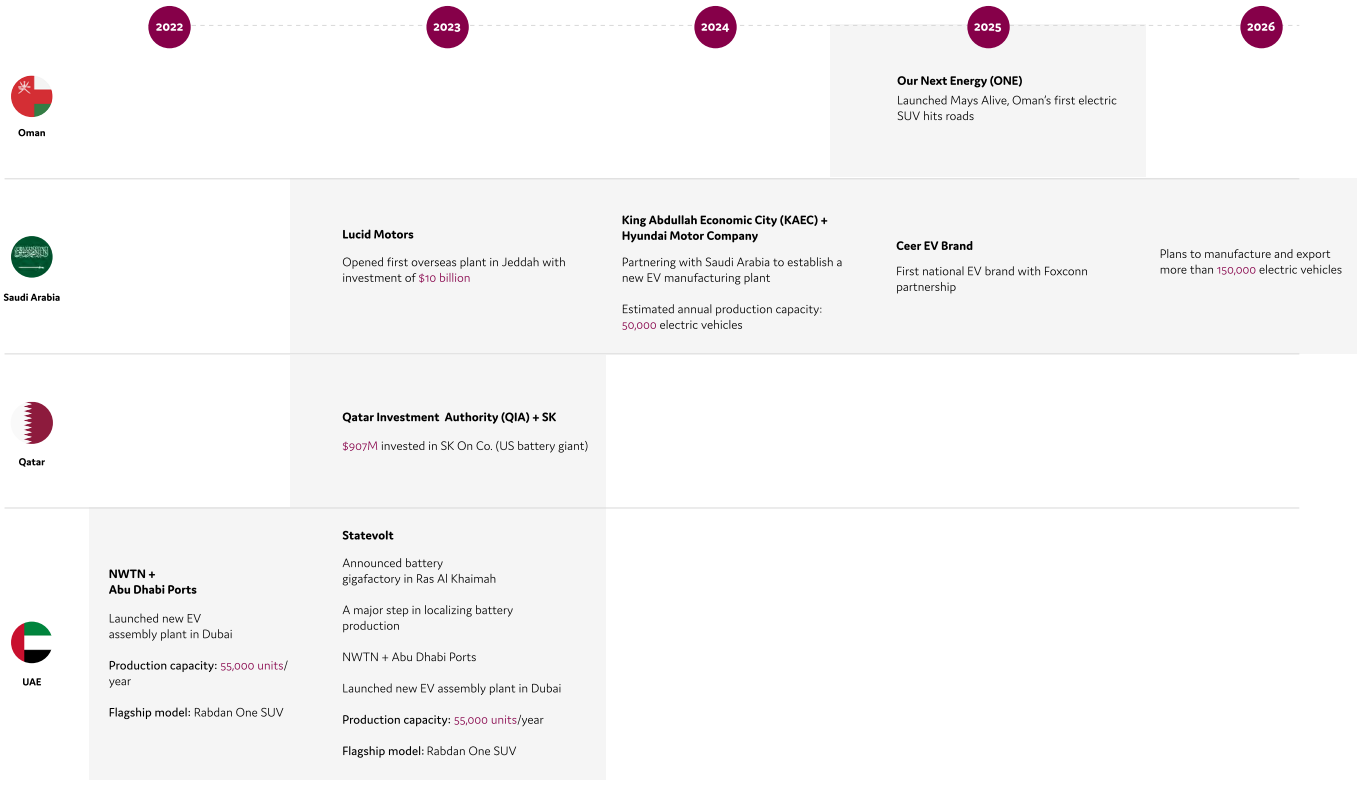

Figure 1
Source: PTR Inc.

International Momentum: China's Strategic Push into the Middle East

As the global EV landscape shifts, Chinese automakers are increasingly turning to the Middle East as a key destination for expansion. Facing rising tariffs and market restrictions in the U.S., EU, and Canada, Chinese EV manufacturers are redirecting their focus toward high-potential emerging markets. The Middle East is well-positioned for growth as it offers increasing demand for affordable and technologically advanced EVs. Leveraging competitive pricing and strong production capacity, Chinese brands are rapidly establishing a presence across the region, forming strategic alliances and launching new models tailored to local preferences.

- Saudi Arabia has been at the forefront of these developments. The Ministry of Investment has signed a US$5.6 billion agreement with the Chinese EV firm Human Horizons.

- Meanwhile, Saudi energy giant Aramco entered a joint development deal with a Chinese car company, BYD, the world's largest New Energy Vehicle (NEV) manufacturer. BYD has also launched operations across key Saudi cities and opened flagship showrooms in Oman and Kuwait.

- Chery's premium brand EXEED has launched its first electric and hybrid models in the UAE, now available in showrooms across Abu Dhabi, Dubai, and Ras Al Khaimah.

- Smart Mobility International (SMI) has partnered with Chinese EV maker IM Motors, backed by SAIC Motor, Alibaba Group, and Zhangjiang Hi-Tech, to introduce the brand to the Gulf Cooperation Council (GCC) market, starting with the UAE and expanding into Saudi Arabia later this year.

- XPENG Motors, a leading Chinese innovative EV manufacturer, is expanding across the Middle East through partnerships with Ali & Sons in the UAE, T Gargour & Fils in Jordan, and Gargour Asia in Lebanon. These collaborations will support the rollout of branded showrooms and strong after-sales services.

- In Qatar, XPENG has appointed Pioneer Motors as its exclusive distributor and plans to introduce models like the G6, G9, and P7 to the local market.

Roadblocks to Adoption: Key Challenges Facing the EV Ecosystem

Despite growing momentum in the Middle East's EV sector, several policies and infrastructural hurdles hinder widespread adoption. Here is a brief overview of the challenges facing the region.

Challenges to EV Adoption in the Middle East:

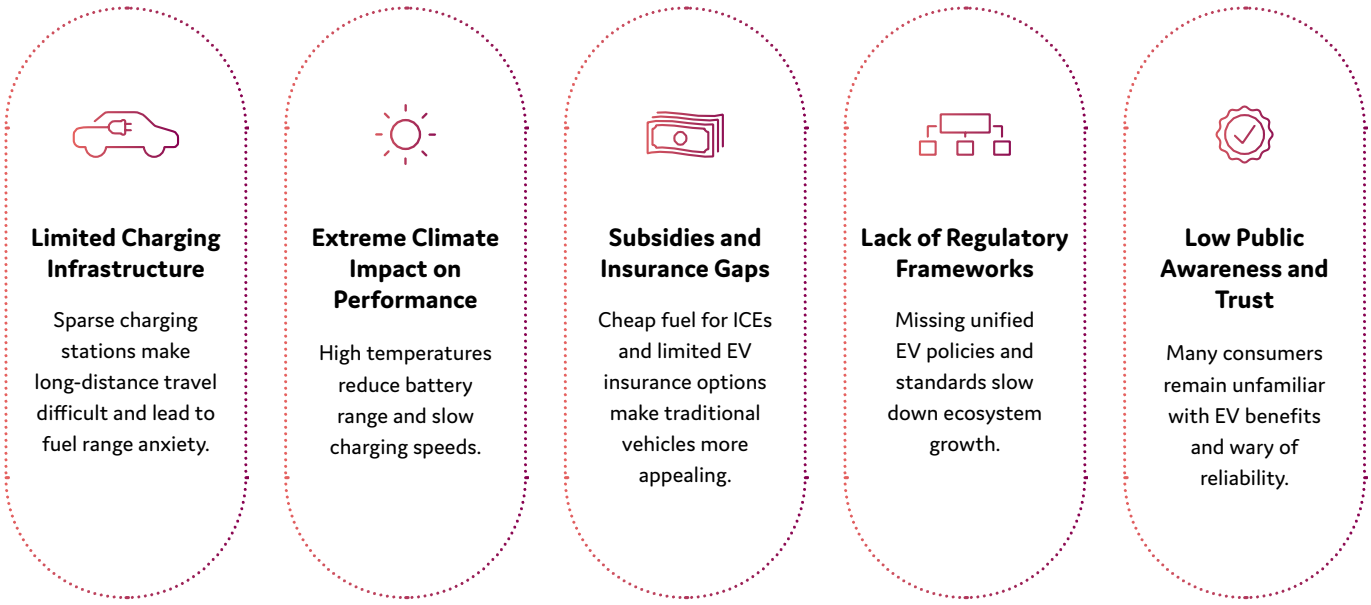

Figure 2
Source: PTR Inc.

Conclusion – Outlook for the Middle East's Electric Mobility Journey

The Middle East is making substantial strides towards a sustainable e-mobility future. The benefits of transitioning towards clean transportation are twofold for a region like the Middle East:

- E-mobility will act as a major contributor in achieving net-zero.
- EVs are also going to support the economic diversification efforts of the Middle Eastern states.

Despite significant developments, several challenges may hinder the widespread adoption of clean transportation in the region. Therefore, it becomes highly crucial that Middle Eastern economies consider these challenges as opportunity areas and address them through forward-thinking strategies and collaborations.

As demand accelerates and new players enter the market, the Middle East has an opportunity not only to embrace EVs as a clean transportation solution but also to position itself as a manufacturing and innovation hub for the global electric mobility landscape. With proper policy support and private sector collaboration, the region can fast-track its journey toward a cleaner and more resilient transportation future.

About the authors

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Rafey Khan is a Senior Analyst and Team Lead for Electric Vehicle Charging Infrastructure service. His research focuses on e-mobility topics, specializing in electric vehicles and their charging infrastructure. He has worked with major EVCI systems and component manufacturers, utilities and CPOs to conduct research and provide consulting to 30+ markets around the world.
He holds comprehensive knowledge of the E-Mobility market of USA particularly around EV and EVSE technologies, emerging market trends, and regional competitive landscape.
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Jannat Wasif is working as Lead Analyst Hydrogen at PTR Inc. She performs in-depth research and analysis across the entire value chain of hydrogen and has represented PTR at external speaking engagements. She maintains a comprehensive database of installed and planned hydrogen projects across the world along with an all-inclusive report on the hydrogen market.
Jannat has a technical background with an MS and BS degree in Electrical Power Engineering from NUST and CUI respectively and has previously worked as a Research Assistant at U.S. Pakistan Centre for Advanced Studies in Energy, NUST. She has a journal publication on Virtual Power Plants and is proud to have been awarded the Campus Silver Medal for her outstanding academic performance at CUI.

About PTR

With over a decade of experience in the Power Grid and New Energy sectors, PTR Inc. has evolved from a core market research firm into a comprehensive Strategic Growth Partner, empowering clients' transitions and growth in the energy landscape and E-mobility, particularly within the electrical infrastructure manufacturing space.

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