

ANOTHER major figure in the motoring industry has warned that manufacturers should be very careful of putting all their eggs into one basket.

Carmakers have been constantly one-upping each other in recent times, trying to convince the public that they alone are the most serious about EVs, with some saying they'll soon switch all future production to the electric option.

BMW CEO Oliver Zipse thinks that's going too far.

He reckoned carmakers shouldn't get too reliant on all-electric strategies that apparently only work in select markets.

"When you look at the technology coming out, the EV push, we must be careful because at the same time, you increase dependency on very few countries," Zipse told Reuters.

EVs are primarily popular in highly developed markets like China and Europe and depend on raw materials that flow mostly through China.

And as the pandemic and current trade sanctions on Russia show, depending too much on any one set of market conditions or single chain in a supply line can be dangerous.

In an industry that must plan years out to make sure new products arrive in a market suited for them, betting everything on one outcome is a very risky strategy.

A serious disruption in charging infrastructure rollout, manufacturing capacity, or raw material availability could tank a brand's whole EV sales portfolio.

If that happens, Zipse says, any carmaker needs to offer an alternative or risk losing customers for good.

"If someone cannot buy an EV for some reason but needs a car, would you rather propose he continues to drive his old car forever? If you are not selling combustion engines anymore, someone else will," he said.

That's especially salient right now.

Not only are supply chains strained but Zipse points out that battery raw materials and energy prices for production are both at all-time highs.

In his view, this is a peak, but he doesn't foresee things ever being as cheap as they once were.

This squares with what Mercedes chief technology officer Markus Schäfer said last week: that, soon, EVs probably won't get any cheaper.