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POLICY BRIEF

Accelerating Ridehail Electrification in Brazil

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Summary: Government agencies in Brazil have an opportunity to accelerate electric vehicle (EV) adoption among the general population by using the ridehail industry as a catalyst. Drivers on ridehail platforms have higher daily travel translating to greater potential health benefits, faster vehicle turnover, and more latent interest in EVs than the general population. Therefore, targeted government programs that address barriers for ridehail electrification—such as upfront purchase price of EVs and lack of charging infrastructure—are critical for unlocking EV demand. The EV population on Uber has more than tripled since the beginning of 2024 in Brazil, growing faster than EVs within the general vehicle population. This momentum could stall without further government intervention. This Policy Brief uses input from an expert roundtable in São Paulo to make four recommendations for government-led programs. The brief is part of a series on similar topics for Europe, United States and Canada, and India, and builds on investment by Uber in recent years to advance the adoption of EVs among drivers on its platform.

Market Overview: Brazil is the largest economy in Latin America with a gross domestic product of 2,05 trillion USD and population of 213 million.[i] Most of the world's large automakers are present in Brazil as producers and/or sellers, such as BYD, Great Wall Motors (GWM), Fiat, Volkswagen Group, Ford, General Motors (GM), Nissan Motors, Toyota, MAN SE, Mitsubishi, Mercedes-Benz, Renault, Honda, Hyundai, Geely, GAC, and Omoda Jaecoo (Chery). Uber is investing in Brazil's EV market and is seeing growth throughout the country due to numerous targeted initiatives (see call-out box). EVs on the Uber platform have more than tripled since the beginning of 2024.[ii]

The Government of Brazil has been leading the EV transition through policies like the 2024 *Green Mobility and Innovation (MOVER)* Program, which regulates new vehicle emissions and provides incentives for producing low-emission vehicles. Despite *MOVER's* objective to reduce new vehicle emissions and help achieve Brazil's net-zero commitment by 2050, many automakers still prioritize hybrid and flex-fuel vehicles over EVs.[iii, iv]

Among automakers who do offer EVs, Chinese companies dominate with over 85% of the market in 2024.[v] EVs currently enjoy lower import tariffs than internal combustion engine (ICE) vehicles—a tariff

Uber's Impact on Brazil's EV Market

Uber is helping drivers make the switch to electric by combining financial support, driver education, and industry partnerships. In 2024, Uber launched the Uber Electric (formerly Uber Green) product offering 100% zero emission rides in São Paulo, and more recently in 2025, in Rio de Janeiro. The company is partnered with GM to secure discounts and 0% financing for eligible drivers across Brazil, including in São Paulo, Rio de Janeiro, Brasilia, Curitiba, Rio Grande do Sul, Santa Catarina, and Minas Gerais. Cashback incentives are also available, tied to driver engagement on the Uber platform. Uber continues to work to secure discounts on charging with leading charge point operators (CPOs), making the transition more accessible and affordable for drivers.

structure that is phasing out in 2026. Because of this changing import duty, numerous Chinese automakers—such as BYD, GWM, and Geely—are building EV manufacturing facilities in Brazil, with a vehicle selection tailored to the Brazilian market, such as BYD's Song Pro, which will be flex-fuel compatible.[vi] To date, Brazil has limited battery manufacturing capacity with only one company making lithium-iron phosphate (LFP) batteries[vii]—although the Brazilian government has shown strong interest in new domestic production.[viii]

A unique aspect of the Brazilian vehicle market is its large vehicle rental industry (the largest in Latin America in terms of number of vehicles). This means that, more so than in other countries, rental car companies in Brazil are conduits for introducing new vehicle technologies into the secondhand vehicle market.

Case for Ridehail Electrification: Ridehailing is a natural fit for electrification for several reasons. First, drivers on ridehail platforms put more kilometers on their vehicles compared to general-population drivers—translating to greater local pollution reductions, health benefits, and greenhouse gas emission reductions per vehicle electrified.[ix,x] Figure 1 shows average annual kilometers driven by drivers while on the Uber platform versus general population drivers. The 50th percentile driver on the Uber platform drives more than 15.000 kilometers per year. For comparison, various sources estimate the median vehicle in Brazil is driven between 8.000[xi] and 12.000[xii] kilometers per year.

Additionally, vehicles on ridehail platforms turn over faster than other vehicles. For example, a 2024 survey of 460 drivers on the Uber platform in Brazil shows that nearly half of drivers (46%) said they planned to replace their vehicle in the next year. This aligns with internal Uber data on vehicle ownership trends. In contrast, general-population vehicle owners keep their vehicles for much longer on average.[xiii]

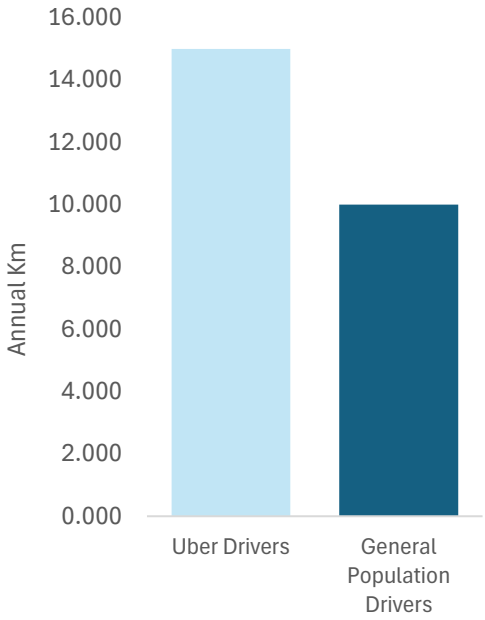

Figure 1. Average Annual Travel Distance

Drivers on the Uber platform are intrinsically motivated to electrify. For example, in the same 2024 survey, 42% of respondents who drove ICE vehicles said they were open to switching to an EV for their next vehicle—higher than the 36% among the general population in Brazil according to a recent UBS survey.[xiv]

Together, the factors noted above—daily distance traveled, emission and health benefits per vehicle, fast vehicle turnover rates, and the implicit interest in EVs by drivers on ridehail platforms—strengthen the case for government involvement in ridehail electrification.

To accelerate ridehail electrification and unlock unmet EV demand, two key barriers must be removed: *the higher purchase price of EVs* compared to ICE vehicles and *lack of charging infrastructure*.

Purchase Price Barrier: Among the five most common ICE models on Uber in Brazil, the average purchase price is around R$60.000 compared to around R$150.000 for the five most popular EV models on Uber.[xv] Yet for high-mileage drivers, EVs are cheaper on a total cost of ownership basis because of the lower fuel and maintenance costs. For example, when considering a new electric BYD Dolphin versus a new ICE Chevrolet Onix—two popular EV and ICE vehicles on the Uber platform—the

four-year ownership cost is about R$27.000 lower for the EV than the ICE model (Figure 2). The analysis assumes drivers travel 35.000 kilometers per year in São Paulo (roughly the 75th percentile annual driving distance for drivers on Uber) and use 25% public fast charging and 75% residential charging rates.[xvi] Even when the import tariffs on EVs rise in 2026, EVs will be cheaper on a total cost of ownership basis for many models. The analysis is conservative because vehicles on Uber Comfort or Uber Black—the premium Uber categories—show even stronger cost advantages for EVs.

Based on this example, drivers could save money by shifting to an EV but only if they are able to afford the EV in the first place. Financing of EVs is challenging in Brazil because many drivers lack credit history, repossession of vehicles is expensive, and depreciation of EVs is faster than ICE vehicles.[xvii] Thus, lenders are reluctant to finance EVs or set high financing rates on EVs. In the 2024 survey mentioned above, the number one barrier for switching to an EV was lack of financing (28% of respondents).

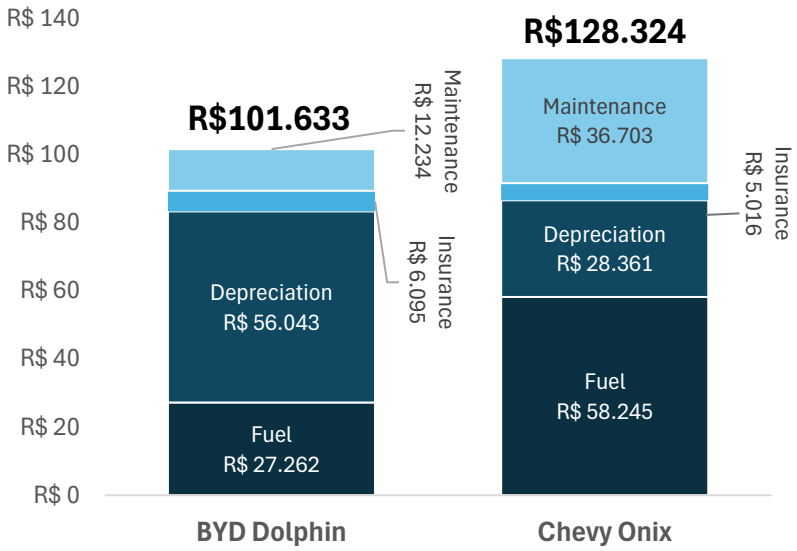

Figure 2. Estimated Four-Year Ownership Cost of Most Popular EV and ICE Vehicles on Uber platform in Brazil.

Lack of Charging Infrastructure in Urban Areas: As of September 2025, Brazil has 16.880 charging stations (23% of which are fast chargers).[xviii] The cities with the most charge points are São Paulo, Rio de Janeiro, and Brasilia. Urban charging infrastructure is especially important for ridehail drivers who operate primarily in urban areas and who can opportunity charge throughout the day as they await dispatch. Additionally, in Brazil 9 out of 10 people live in urban areas. According to IEA statistics, Brazil had 5.9 charge points per 100 EVs in 2024, lower than the global average of 9.3 charge points per 100 EVs.[xix]

Case Study: Rio de Janeiro is a leader in Brazil's transition toward cleaner mobility, advancing a coordinated set of policies and investments. The city's Plan for Sustainable Development and Climate Action (2021) identified transportation as a main contributor to greenhouse gas emissions, and therefore a major priority in the future. The city established one of Brazil's first Low Emission Districts in historic Centro. The city restricted ICE vehicle access and redesigned streets to expand pedestrian access. Additionally, in collaboration with EZVolt and with the support of Laneshift, a C40 Cities/The Climate Pledge program, the city launched its first public fast-charging station. These partnerships to improve access to charging, restrict high-polluting vehicles, and embed emissions targets into long-term planning, help establish market certainty and set an enabling environment suitable for a transition to EVs for drivers on ridehail platforms. Other local markets in Brazil can consider replicating these strategies.

Recommendations: Below, we present four policy recommendations—two to address upfront purchase price, which are the responsibility of the national government, and two to address charging infrastructure which are the responsibility of local government.

Recommendation 1: Increase Access to Credit and Lower Financing Costs to Drivers

Implementer: National Government

The national government could create a program that de-risks lending to drivers on app-based ridehail platforms who wish to purchase an EV. The program could be supported by national and/or multilateral development banks and could include several components: a first-loss partial credit guarantee to cover initial portfolio losses for participating financial institutions, targeted guarantees for potential government-related risks (e.g., changes in laws regulating the ridehail industry), multiple phases over time and geography to continuously calibrate learnings and risk, pay-as-you-drive (PAYD) features that make it simple for drivers to participate, and telematics-based data tracking to help with vehicle repossessions (thereby further lowering risk to lenders).[xx] Additionally, the new payroll loan law—known as Crédito Consignado[xxi]—could be updated to create a dedicated "Green Mobility" credit line that allows loan payments made directly from ridehail platforms like Uber.

Each of these components would lower the risk for financial institutions and promote better financing rates to drivers. Ancillary program options could include on-the-ground repossession teams to minimize repossession times, and creation of a digital system that connects drivers with lenders. Eligible borrowers of EV loans could be individuals, corporates, rental companies, and fleet aggregators.

Recommendation 2: Adjust MOVER Feebate Scheme to Target Entry-Level EVs

Implementer: National Government

Several European nations use continuous or stepped feebate systems where higher-emission vehicle purchases incur fees, financing rebates for cleaner vehicles.[xxii] In July 2025, Brazil instituted a feebate-like scheme under MOVER such that vehicles with better environmental performance receive discounts on the IPI tax rate[xxiii] while more polluting vehicles get a higher IPI tax rate. While this program supports EV adoption, it has several weaknesses. The IPI tax is assessed on the manufacturer and/or importer which means price reductions are not always directly passed to the consumers. Additionally, luxury EV brands receive the same tax rate bonuses as entry-level EVs. This means luxury models place a heavier financial burden on the program than entry-level EVs. Also, luxury EV models are associated with higher rates of freeridership (i.e., the luxury EV model would be purchased even in the absence of the MOVER program). For these reasons, EV incentives in other regions often have a price cap (e.g., vehicles with prices above R$250.000 do not receive a bonus IPI tax rate).

There is an opportunity to strengthen the MOVER program to target ridehail electrification by instituting a price cap on qualifying vehicles and changing the bonus-malus system to be "on the hood" so that consumers see price changes at the time of vehicle purchase.

Recommendation 3: Improve Access to Public Charge Points

Implementer: Local Government

A large share of ridehail drivers seek at least one charge during a workday.[xxiv] However, as noted above, EV drivers on ridehail platforms have limited access to charge points and face security concerns because chargers are often located in insecure areas and/or areas with elevated crime rates.

Some of the most secure charging locations are inside parking facilities that require paid access, creating additional cost and inconvenience for EV drivers compared with ICE vehicle drivers. A McKinsey Mobility survey across 15 global markets (including Brazil) found that drivers are particularly sensitive to such incremental fees.[xxv]

Local governments in Brazil can accelerate ridehail electrification by improving charging access through several targeted strategies:

- **Integrate charging into transportation planning**. Local governments can incorporate EV charging infrastructure into regional and municipal transportation and mobility plans. This approach enables more coordinated and strategic network development, ensures broader geographic coverage, and may unlock public funds designated for mobility improvements.
- **Invest in fast charge hubs**. Local governments could also invest in public fast-charging hubs in high-traffic areas near where ridehail drivers frequent, such as municipal lots, transit terminals, and shopping centers.[xxvi] Design of these sites should consider driver safety during a 20- to 45-minute charging session. This means sites should have 24-hour lighting and be adjacent to public locations with security cameras and security guards. Ideally, sites would also have access to food, bathrooms, and phone charging to support driver breaks. Research from McKinsey[xxvii] and the World Economic Forum[xxviii] shows that convenience and cost transparency are critical drivers of EV adoption, especially for rideshare drivers who rely on quick turnaround times.
- **Collaborate with parking facilities**. Local governments could establish programs that grant EV ridehail drivers access to chargers inside parking facilities. Initial pilots could focus on strategically located lots equipped with fast chargers. Program costs could be temporarily subsidized—such as over a two-year period with a gradual phase-out—or shared through public-private partnerships, leveraging automaker contributions and government grants.

Recommendation 4: Update EV Ready Code

Implementer: Local Government

As in other regions, rideshare drivers in Brazil prefer to charge at or near-home for convenience and cost reasons. In São Paulo, recent statutes require developers of new buildings to install chargers in a certain number of parking spots and to individually meter chargers.[xxix] Adopting similar policies across other jurisdictions in Brazil would rapidly scale EV accessibility, reduce retrofit complexity, and support the country's clean mobility goals. Municipal governments could establish guidance for installing charging infrastructure in new buildings to include safety standards and expedited permitting; it could also cover slow charge points for existing residential and mixed-use buildings.

Conclusion: Brazil has implemented a series of programs to grow the EV market. While EV adoption has increased dramatically in recent years—especially among ridehail platforms—more focus is needed on high impact initiatives. Strengthening ridehail electrification is an effective way to catalyze EVs among the general population because ridehail drivers have high daily travel, generate greater health and emissions benefits per vehicle, and replace vehicles more frequently. Thus, electrifying ridehailing delivers significantly more EV adoption per Brazilian Real spent than comparable investments in the general population.

The Policy Brief helps elucidate needed steps in EV transition for Brazil's ridehail industry, through a suite of actions validated by contributors from industry, government, and academia, which align policy with the aims of industry. We have taken the first step with this Policy Brief in outlining urgent actions. The next step is to design programs behind these actions. This takes active, intentional, and continuous engagement between government, manufacturers, consumers, ridehail fleets, and utilities.

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Appendix A. Total Cost of Ownership Assumptions

Table 1 shows the assumptions in the four-year cost comparison of the BYD Dolphin and Chevrolet Onix. The comparison reflects a case purchase so no financing costs are included.

Table 1. Assumptions in total cost of ownership analysis

	Unit	Assumption
Vehicle age	years	Purchase of new vehicle, held of four years
Annual km traveled	km	35.000 km per year, roughly the 75th percentile driving distance for drivers on Uber
Electricity fuel price, at-home	R$/kWh	0,878
Electricity fuel price, public stations	R$/kWh	2,50
Petrol fuel price	R$/liter	6,17
BYD purchase price	R$	140.000
Chevy Onix purchase price	R$	100.000
Depreciation rate for Chevy Onix	%/year	8%
Depreciation rate for BYD Dolphin	%/year	12%
Annual insurance BYD Dolphin	R$/year	1.524
Annual insurance Chevy Onix	R$/year	1.254
Maintenance cost per km, EVs	R$/km	0,09
Maintenance cost per km, ICE vehicles	R$/km	0,26
Vehicle efficiency, BYD Dolphin	kWh/km	0,15
Vehicle efficiency, Chevy Onix	km/liter	15,0

[i] Government of Brazil (2025). https://www.gov.br/secom/pt-br/assuntos/noticias/2025/08/populacao-do-brasil-alcanca-marca-de-213-4-milhoes-de-habitantes-divulga-ibge
[ii] Uber growth calculated as percentage of EV kilometers among all Uber kilometers.
[iii] ICCT (2025) *The regulation of Brazil's Green Mobility and Innovation (MOVER) vehicle emissions program*. https://theicct.org/publication/regulation-of-brazil-green-mobility-and-innovation-mover-vehicle-emissions-program-oct25/
[iv] IEA (2025), *Global EV Outlook 2025*, IEA, Paris https://www.iea.org/reports/global-ev-outlook-2025
[v] Ibid
[vi] Ibid
[vii] ESS-News (2025) Brazil bets big on batteries. https://www.ess-news.com/2025/08/26/brazil-bets-big-on-batteries/

[viii] ESS-News (2025) Brazil's minister of mines and energy discusses battery auction with Chinese companies https://www.ess-news.com/2025/10/27/brazils-minister-of-mines-and-energy-discusses-battery-auction-with-chinese-companies/
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[xi] Costa (2024) What is the average annual mileage of a car in Brazil? https://firmeformula.com/qual-e-a-media-de-rodagem-de-um-carro-por-ano-no-brasil/
[xii] Auto Zepros (2025) Brazil: the best is yet to come. https://auto.zepros.fr/actus-filiere/brazil-best-yet-come
[xiii] The Zebra (2025) Survey: Average length of car ownership in America. https://www.thezebra.com/resources/driving/average-length-of-car-ownership/#:~:text=The%20average%20time%20that%20Americans,for%20six%20years%20or%20less.
[xiv] UBS (2025) https://www.ubs.com/global/en/investment-bank/insights-and-data/2025/brazil-car-market.html
[xv] Most popular EVs on Uber in Brazil include the BYD Dolphin, JAC Motors E-JS1, BYD D1, Nissan LEAF, Renault Zoe. The most popular ICE vehicles include the Honda CG 160, Chevrolet Onix, Hyundai HB20, Volkswagen Gol, Ford Ka.
[xvi] Note, the cost benefits of EVs would be even larger if we compared vehicles within the higher quality Uber categories of Uber Comfort and Uber Black. Other assumptions are in the Appendix.
[xvii] Autoblog (2025) https://www.autoblog.com/news/buyers-beware-evs-depreciate-30-faster-than-gas-cars
[xviii] Brazilian Electric Vehicle Association (2025) https://abve.org.br/abve-data/bi-eletropostos/
[xix] IEA (2025) https://www.iea.org/data-and-statistics/data-tools/global-ev-data-explorer. Statistics are calculated by dividing the number of charge points in 2024 by the EV stock for "cars."
[xx] Financing programs supported by multilateral development banks often have these similar components. Descriptions of some of these components are available in literature from think tanks, such as RMI's Unlocking Accessible EV Finance resource: https://unfccc.int/sites/default/files/resource/IFE_OP~2.PDF
[xxi] The 2025 update to the Payroll Loan Law mentions app-based drivers, like Uber. However, currently, there is no clause in the legislation that targets loans for EV purchases. See law here: Law 15.179/2025, Chapter IV
[xxii] Ramji et al. (2025) Sustainable EV Market Incentives: Lessons Learned from European Feebates for a Zero Emissions Future. UC Davis White Paper, http://dx.doi.org/10.7922/G2X63K8H Retrieved from https://escholarship.org/uc/item/73z6j5v1
[xxiii] IPI tax is a federal tax charged on manufactured goods, including cars.
[xxiv] Internal Uber data. Value redacted for propriety reasons.
[xxv] Fischer et al. (2024) Exploring consumer sentiment on EV charging. https://www.mckinsey.com.br/features/mckinsey-center-for-future-mobility/our-insights/exploring-consumer-sentiment-on-electric-vehicle-charging
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