



Mobility 2030

A new era of connected transportation

By **Colin Earp** National Transport Lead,
KPMG in Canada, and **Richard Threlfall**,
Global Head of Infrastructure, KPMG in the UK

Welcome to Mobility 2030; a revolution led by autonomous vehicles, electric networks, and on-demand transportation services. In addition to reshaping our roads and cities, this new era of mobility is driving massive societal changes and giving rise to a multi-trillion dollar industry¹.

In short, it is time to buckle up.

Disrupting for greater good

The road ahead is rife with disruption and fueled by three key technology-driven trends. Consider the rise of self-driving autonomous vehicles (AVs); a movement fueled by public sector investments and private sector support for a smarter, cleaner, and more accessible way to commute. The potential of smart, hands-free driving cannot be overstated. Accessibility and infrastructure implications notwithstanding, research indicates we spend more than 600 billion hours in our cars every year – an average of 14 minutes per person per day for everyone on the planet. By repurposing that time for productive tasks, it is estimated the US alone would benefit from an economic boost of nearly \$1.3 trillion a year².

1. <https://assets.kpmg/content/dam/kpmg/xx/pdf/2019/02/mobility-2030-transforming-the-mobility-landscape.pdf>

2. <https://assets.kpmg/content/dam/kpmg/xx/pdf/2019/02/mobility-2030-transforming-the-mobility-landscape.pdf>

A number of recurring questions have emerged, including:

- **How will customers respond** to potentially radical changes to our daily lives and environments enabled by technology? What will their future behaviours be?
- **Where will value be created** across the future mobility ecosystem? How big will the 'value pools' be and how will they evolve?
- **What will the new ecosystem look like** and how will the various players' roles change? Who are the emerging customers for EVs, AVs and MaaS? What will these customers value?
- **What are the potential participation strategy options**, given existing asset bases and capabilities? Who are the key players across the value chain? Which organizations – or countries – are set to win?
- **What are the implications for financial, business and operating models?** How should financial ambitions change? Where and when should car companies, energy providers, etc. participate? How can they evolve to participate effectively?

The electrification of transportation is equally promising; as is the advance of Mobility as a Service (MaaS) offerings which allow consumers one-click access to all their transportation options on a single, user-friendly platform. Taken independently, each of these trends would significantly disrupt the ecosystem, but in combination, they should drive unprecedented change.



These technologies are gaining traction well beyond Canada's borders. MaaS platforms have taken root in North American and UK markets, while every day brings news of AV initiatives in both the consumer and commercial spaces. We are also seeing progress in countries like Singapore where private sector companies are collaborating with public sector entities to trial 'smart' vehicle technologies, as well as in jurisdictions like Norway where 40 percent of new cars sold in 2017 were electric or hybrid.

Got a question?

Learn more about KPMG's vision for Mobility 2030 by visiting home.kpmg/ca/Mobility2030 or contact **Colin Earp** and **Richard Threlfall**.



Gaining momentum

The momentum is building, but the path is far from smooth. As we move closer to making these technologies a mainstream reality, new and important questions come into view. How will self-driving vehicles be regulated? How will governments compensate for the loss of gas revenues as a result of electric vehicles (EVs)? Who will pay for the infrastructure of tomorrow (e.g. 'smart' roads, transportation telematics, 5G vehicle connectivity, etc.)?

Then there are the long-term considerations. Will the adoption of self-driving cars and on-demand services negate the need for public parking? Will the proliferation of smart vehicles in richer countries mean an excess of unwanted gas-powered vehicles in other markets? Will greater accessibility lead to more congestion? If so, who (or what) will determine commuting priority?

Big challenges remain

Indeed, while unfettered access to reliable transportation may be the Holy Grail for mobility, it is a destination marked by numerous logistical, financial, and societal challenges. It is also one that relies on significant investments, infrastructure, public participation, and the governments' ability to foster an environment that encourages private sector participation in the development of these technologies.

The change will be seismic, and one cannot assume it will simply be incremental from where it is today. Investing in this space is about more than funding new consumer products and services; it is about asking these questions, immersing oneself in these discussions, understanding what these technologies offer, and collaborating with public and private players to achieve outcomes for the greater good of society.

In the articles ahead, we break down what Mobility 2030 means for the world, and how both investors and industry players can stay up to speed.