Written by Steve Bonta on July 25, 2026

Electric Cars Meet Economic Reality


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The electric-car industry, once deemed the unstoppable wave of the future destined to completely replace gas-driven vehicles, has run aground on the shoals of economic reality. In a counter-swell that reflects growing consumer dissatisfaction with the high price, limited range, and charging-time inconveniences of electric vehicles, automotive corporations are dramatically scaling back, or canceling altogether, EV models in development or production, and reverting to hybrid and gas-driven models.

Multiple Makers Cutting Back

The reaction began last December, with Ford's dramatic $19.5 billion write-down of its electric-vehicle product line, discontinuing its F-150 Lightning EV version and getting rid of a next-generation electric truck and electric commercial vans in development. At the time, Ford's Andrew Frick, head of gas- and electric-vehicle operations, said, "Rather than spending billions more on large EVs that now have no path to profitability, we are allocating that money into higher-returning areas."

Soon thereafter, in January, GM followed suit, announcing a $6 billion write-down in EV and battery production and shifting large portions of productive capacity from EVs back to traditional gas and hybrid models.

Then came Honda, which in March announced a massive scaling back of EV manufacturing plans for the United States, including the cancellation of three EV models slated for production in North America, which resulted in at least a $9 billion loss. In addition, Honda canceled plans for an $11 billion EV battery plant for Canada.

More recently, Nissan has shelved further work on development of a fully electric version of the Qashqai (Nissan's top-selling European car), which was to have been built in the U.K., and Porsche was forced to write off nearly $16 billion in a dramatic scaling back of its own considerable EV-related assets, which reduced its operating profit by around 98 percent.

Simply Not Feasible

All of this, and more, is reflective of a new economic climate in the automotive sector following the Trump administration's discontinuation of the Biden-era $7,500 tax write-off offered to EV buyers, along with sundry other government incentives and subsidies designed to transform the automotive industry by destroying gas vehicles and ushering in a new age of electric and hybrid ones.

The problem is that American consumers are not impressed with the inconveniences of EVs, including their enormous cost, and in a system that remains at least nominally free market, consumers have the final say. Electric vehicles that outperform gas vehicles — and do so economically — are proving just as much of a chimera as faster-than-light travel and affordable nuclear-fusion power plants. The laws of physics do impose limits on what technology is capable of achieving, even if hubristic politicians refuse to acknowledge them.

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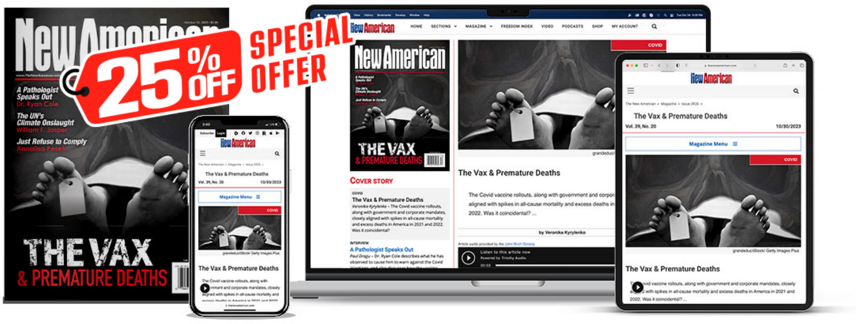

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