



2 Green Automotive Stocks to Buy and Hold Until 2030

Description

In 2020, zero-emission vehicle (2030) sales only made up about 3.5% of the total vehicle sales. And according to the C.D. Howe Institute, about one-fourth of the overall vehicle sales would have to be ZEVs if the country is to meet the emission goals set by the federal government.

At the current pace, it seems highly unlikely that we might meet the emission goals. But a significant breakthrough in the battery technology or the energy density of Lithium-Ion batteries, which is still a far cry from gasoline and one of the reasons why electric vehicles are not as powerful as typical gasoline-based vehicles, can change the industry for decades to come.

The government is aiming to cut down about 213 megatonnes of greenhouse emissions by 2030. For reference, the emissions were about 730 megatonnes in 2019. Even though vehicles are only a part of the equation (other variables include different industries), they are still crucial. A typical vehicle releases about 4.6 metric tons of carbon dioxide a year in the air.

If the government starts incentivizing buying green vehicles over the years, to boost the sales numbers, green automotive manufacturers and associated businesses might see a significant boom.

A mobility technology company

Magna International ([TSX:MG](#))([NYSE:MGA](#)) is not an automaker per se, even though it *has* manufactured about 3.7 million vehicles in 30 different models. It's more of a technology company that offers a broad spectrum of automotive solutions related to both body and power of vehicles. This places Magna in a unique place in the [current automotive industry](#).

It's at the forefront of the change that's happening in the industry yet it's not exposed to some of the risks and dangers a typical electric vehicle manufacturer might be exposed to. Mainly because it's not fully invested in electric vehicles. Still, it can benefit from the demand for new and innovative solutions that will arise once more electric cars start rolling off production lines.

The 30 billion dollars (market cap) saw sales rising to 32.6 billion in 2020. It was one of the stocks that

spiked after the crash and grew over 230% in about 15 months. The stock is normalizing a bit, and it's quite attractively valued considering the growth it recently displayed. It's also an 11-year old aristocrat that's currently offering a modest yield of 1.7%.

A ZEV manufacturer

Another way the government can push the green initiatives is by switching to ZEVs for public and cargo transformation. And if a company like **GreenPower Motor** ([TSXV:GPV](#)) manages to land a sizeable order from the government, its sales could spike (and the stock might follow). The company's production line comprises different passenger vehicles (including school buses) and cargo transportation that can carry up to 2,720 kg.

It has an impressive US presence and is heavily targeting the US school bus market. Last year, the company sold 68 vehicles, a drop compared to the ocean that is the mass transportation market turning to ZEV.

The stock has already seen [an unnatural spike](#) after the market crash, and it's now in its cooling-off phase and trading at a 44% discount to its recent peak. You might consider waiting to buy it at a fair price and then let the green transformation work its magic.

Foolish takeaway

Both GPV and Magna can prove to be amazing [growth stocks](#) if the adaption of green vehicles picks up some serious pace. The market *is* moving in the right direction, just not fast enough. And if you can get an early jump, you might experience considerable growth by the end of the decade.

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3. TSXV:GPV (GreenPower Motor Company Inc.)

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Author

adamothonman

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