



## From Liability to Asset: Why the Commercial Sector Should Lead the Caribbean's Electric Vehicle Transition

By Giovanni Buckle | CCREEE | May 2026

### Can We Afford Not to?

Can electric vehicle adoption work in the Caribbean and more importantly, can we afford it? These are the questions that dominate nearly every transport electrification conversation in the region. For a taxi driver whose margin lives and dies on fuel costs, a delivery rider absorbing petrol price volatility, or a government fleet manager watching maintenance bills compound year on year, the e-mobility transition is as much a financial opportunity as it is an environmental one, and it is becoming increasingly compelling. The better question is not whether we can afford the transition. It is whether commercial operators can afford to delay it.

### What Drives the Cost of Owning a Vehicle

Every vehicle, electric or conventional, carries two categories of cost. The first is capital expenditure: the purchase price, import duties, taxes, and registration fees paid to put the vehicle on the road. The second is operating expenditure: fuel or electricity, routine maintenance, tyres, insurance, and road tax accumulated across the vehicle's working life. For conventional internal combustion engine (ICE) vehicles, both categories are well understood and, in the Caribbean context, persistently high.

Electric vehicles change this equation in ways that are increasingly difficult to ignore. On the operating side, electricity costs significantly less per kilometre than petrol or diesel, a gap that is particularly acute in the Caribbean where fuel import dependency keeps pump prices among the highest in the hemisphere. As it relates to maintenance costs, a major component of operational expenditure, the benefits of electric vehicles far outperform those of their conventional alternative. An electric drivetrain has far fewer moving parts than a combustion engine, no oil changes, no timing belts, no exhaust systems, and fewer brake replacements due to regenerative braking.

When assessing the difference in these components electric vehicles today often carry a lower total cost of ownership than their combustion equivalents over a vehicle lifetime, with benefits being realized sooner based on vehicle usage. Driving behaviour tilts the equation further in favour of electric with studies from mature EV markets showing that higher annual mileage accelerates the point at which lifetime operating savings offset the upfront cost difference. In the United Kingdom, analysis has shown that electric vehicle drivers who cover above-average annual distances reach cost parity with petrol equivalents up to three years sooner than lower-mileage drivers. The more kilometres driven, the faster the operating savings compound, and the stronger the financial case becomes.

## **The Commercial Opportunity: Where the Case Is Strongest**

The commercial sector represents the most compelling entry point for Caribbean e-mobility. Taxi drivers, food delivery couriers, ride-hailing operators, postal and logistics services operate their vehicles on the road eight to twelve hours a day, accumulating annual mileage that can be two to four times higher than private motorists. Every kilometre driven on electricity rather than petrol is a direct improvement to the bottom line. Every avoided oil change, every skipped brake job, every month without a fuel price shock feeds directly into profit margins that, for many independent operators, are already thin.

These factors affect profitability which is a significantly more important consideration for commercial transport operators than private vehicle operators, where vehicle ownership is an accepted liability rather than an asset used for profit generation. Where electric technology demonstrably lowers costs, commercial adoption follows. The implication for Caribbean transport policy is significant the operators most likely to benefit from electrification are not the ones who need to be convinced. They need to be enabled, through accessible financing, supportive import duty structures, and the right information to make fleet decisions with confidence.

### **A unique opportunity for faster returns**

Pulling the lens back to total cost of ownership, the case becomes even more striking for the lighter end of the commercial fleet. Electric two and three-wheelers are rapidly approaching purchase price parity with their petrol equivalents in many markets, as growing competition among manufacturers drives capital costs down. In several emerging markets, subsidised electric motorcycles are already cheaper to buy outright than comparable petrol models. The IEA identifies electrification of two and three-wheelers as the single most cost-competitive entry point into electric mobility for emerging and developing economies, a designation that applies directly to the Caribbean. Combined with the same operating expenditure advantages that apply across all electric vehicles, lower fuel costs and significantly reduced maintenance, the total cost of ownership case for electric delivery bikes and motorcycles used commercially is among the strongest of any vehicle segment. For a courier or food delivery rider covering high daily distances on familiar urban routes, the financial case is not approaching. It has already arrived.

### **The Caribbean Is Already Proving It**

Barbados has made significant steps towards a 100% electric public bus transportation fleet, and their Transport Board's numbers tell the story. In the first year of mixed operations, the electric fleet spent BDS \$1.9 million on fuel against BDS \$3.6 million for the diesel fleet over the same period. Overall maintenance costs fell from USD 7.5 million in 2019 to USD 3 million by 2021. Full electrification is projected to eliminate USD 4 million in annual diesel costs, with the IDB estimating potential lifetime savings of between USD 200 and 400 million. The case has been made in dollars and cents, not just carbon.

Further evidence from Latin America reinforces the commercial case at scale. Chile's electric taxi programme generated documented average savings exceeding three million Chilean pesos per vehicle annually, based on roughly 37,000 km per year. Costa Rica's E-Taxi CR pilot project deployed and monitored electric taxis at its main international airport over a full year before scaling.

The IEA's EV Total Cost of Ownership tool, *available at [iea.org](http://iea.org)*, allows any fleet manager or procurement officer in the region to model costs against local tariffs, fuel prices, and financing conditions before committing to a single vehicle.

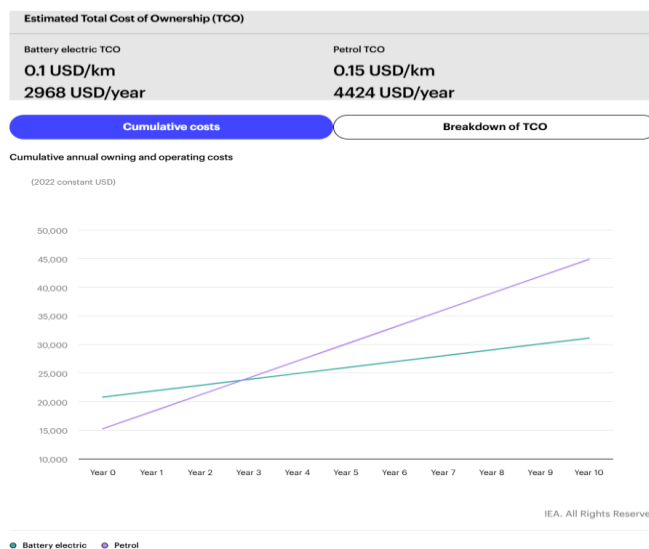


Figure 1: IEA Total Cost of Ownership (TCO) Tool- Generic EV vs Petrol TCO Comparison Graph

## Building the Regional Evidence Base

Under the [NDC TEC](#) project, CCREEE is supporting three member states by piloting multiple electric transport technologies. In Saint Lucia, 22 electric vehicles are being deployed across nine government institutions supporting a government fleet electrification covering a wide range of duty cycles and usage intensities. Every vehicle is fitted with telematics, generating the cross-institutional performance data that transport ministries across CARICOM need to make informed fleet decisions. The project also delivers electric buses serving tertiary and vocational institutions in Jamaica, and electric vessels supporting marine transport electrification for the Coast Guard and fishing communities in Grenada.

## A Commercial-First Strategy

The sequencing is clear. Commercial and institutional fleets should lead. They have the utilisation rates, the procurement frameworks, and the financial incentives to move first, and the data they generate will build the case for every fleet decision that follows. The question is no longer whether the Caribbean can afford electric vehicles. The evidence shows the more pressing question is how much longer we can afford not to.