# Time Series Forecasting of Electric Four-Wheeler Sales Using ARIMA: Implications for Sustainable Transportation Development

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**Abstract**
The rapid growth of electric vehicle (EV) adoption has become a key component of sustainable transportation and environmental policy worldwide. Accurate forecasting of EV four-wheeler demand is essential for manufacturers, policymakers, and infrastructure planners to make informed decisions regarding production, charging infrastructure, and resource allocation. This study aims to analyze and forecast EV four-wheeler demand using both traditional time series techniques and modern machine learning approaches.
Monthly EV four-wheeler sales data were collected and analyzed to identify underlying trends, seasonal patterns, and growth dynamics. Time series forecasting models, including Autoregressive Integrated Moving Average (ARIMA), were employed to model complex nonlinear relationships and improve forecasting accuracy. Model performance was evaluated using standard measures such as Mean Absolute Error (MAE), Root Mean Square Error (RMSE), and Mean Absolute Percentage Error (MAPE).
The results indicate a significant upward trend in EV four-wheeler demand, driven by increasing environmental awareness, government incentives, and technological advancements. Comparative analysis demonstrates that machine learning models provide superior forecasting accuracy compared to conventional time series models when nonlinear patterns are present. The study offers valuable insights for strategic planning in the EV sector and contributes to the development of data-driven policies supporting sustainable mobility.
The findings support the achievement of the United Nations Sustainable Development Goals, particularly SDG 7 (Affordable and Clean Energy), SDG 11 (Sustainable Cities and Communities), and SDG 13 (Climate Action), by facilitating informed decision-making for the expansion of electric vehicle ecosystems and the promotion of environmentally sustainable transportation.

**Keywords:** Electric Vehicles (EVs) ,EV Four-Wheeler Demand ,Time Series Forecasting Machine Learning ,ARIMA ,Sustainable Transportation ,Electric Mobility ,Forecast Accuracy

## 1. Introduction
Electric Vehicles (EVs) are playing a vital role in the transition toward sustainable transportation systems worldwide. Growing environmental concerns, government incentives, and advancements in battery technology have accelerated the adoption of electric four-wheelers in recent years. In India, initiatives such as the FAME scheme and state-level EV policies have contributed significantly to the expansion of the electric vehicle market. Consequently, understanding and forecasting future demand for EV four-wheelers has become essential for manufacturers, policymakers, and infrastructure planners.
Accurate demand forecasting enables stakeholders to optimize production planning, charging infrastructure development, inventory management, and policy formulation. Since EV sales data often exhibit trend and seasonal fluctuations, time series forecasting methods are particularly suitable for analyzing and predicting future demand patterns.
Among various forecasting techniques, the Autoregressive Integrated Moving Average (ARIMA) model is widely recognized for its ability to capture both non-seasonal and seasonal patterns in time series data. ARIMA extends the traditional ARIMA model by incorporating seasonal autoregressive, differencing, and moving average components, making it highly effective for forecasting monthly or quarterly sales data exhibiting recurring seasonal behavior.
**ARIMA (p,d,q)**
This study aims to analyze the historical sales pattern of EV four-wheelers and develop an appropriate ARIMA model for forecasting future demand. The model performance will be evaluated using forecasting accuracy measures such as Mean Absolute Error (MAE), Root Mean Square Error (RMSE), and Mean Absolute Percentage Error (MAPE). The findings will provide valuable insights into future market growth and support strategic decision-making in the electric vehicle sector.
**Objectives**
- To analyze the trend and seasonal behavior of EV four-wheeler sales.
- To identify an appropriate ARIMA model using SPSS.

- To forecast future EV four-wheeler demand.
- To evaluate forecast accuracy using MAE, RMSE, and MAPE.
- To provide policy implications for sustainable transportation planning.

## 2. Review of Literature:

1. Box and Jenkins (1976)
Developed the ARIMA methodology, which remains one of the most widely used approaches for time series forecasting. Their work established a systematic framework for identifying, estimating, and validating forecasting models.
2. Hyndman and Athanasopoulos (2021)
Discussed modern forecasting techniques and highlighted the effectiveness of ARIMA and seasonal models in handling trend and seasonal variations in time series data.
3. Makridakis et al. (2018)
Compared statistical and machine learning forecasting methods and found that hybrid and machine learning approaches often outperform traditional models in complex forecasting scenarios.
4. Wang et al. (2022)
Applied machine learning techniques to electric vehicle market forecasting and reported that Artificial Neural Networks achieved higher prediction accuracy than conventional statistical methods.
5. Kumar and Alok (2020)
Investigated factors influencing EV adoption in India and identified government incentives, charging infrastructure, and consumer awareness as major determinants of EV demand growth.
6. Singh et al. (2023)
Utilized SARIMA models for forecasting electric vehicle sales in India and demonstrated strong predictive performance for short-term demand forecasting.
7. Zhang et al. (2021)
Compared Random Forest, Support Vector Regression, and Neural Networks for transportation demand forecasting and concluded that machine learning models effectively captured nonlinear demand patterns.

**3. METROLOGY:**

**AUTOCORRELATION FUNCTION (ACF) AND PARTIAL AUTOCORRELATIONS (PACF) :**

MONTH, period 12

Autocorrelations

Series: MONTH, period 12

**Table:3.1**

| Lag | Autocorrelation | Partial Autocorrelations |
|---|---|---|
| 1 | .574 | .574 |
| 2 | .219 | -.163 |
| 3 | -.060 | -.172 |
| 4 | -.261 | -.179 |
| 5 | -.348 | -.127 |
| 6 | -.387 | -.180 |
| 7 | -.374 | -.177 |
| 8 | -.305 | -.159 |
| 9 | -.179 | -.111 |
| 10 | .008 | -.021 |
| 11 | .258 | .141 |
| 12 | .575 | .398 |
| 13 | .340 | -.458 |
| 14 | .141 | -.007 |
| 15 | -.016 | .009 |
| 16 | -.130 | .120 |

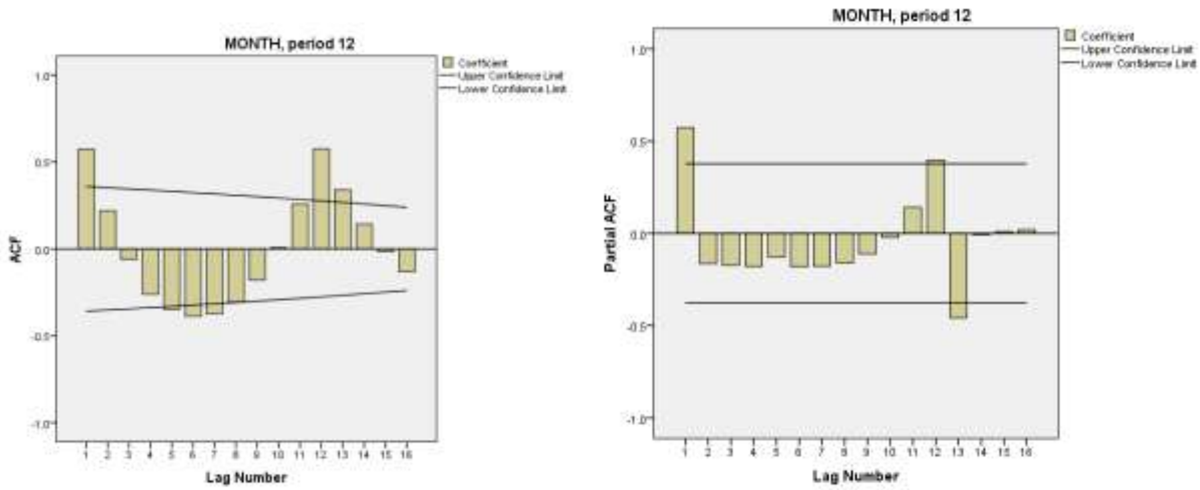
a. The underlying process assumed is independence (white noise).
b. Based on the asymptotic chi-square approximation.

**Interpretation of ACF**

ACF at **Lag 1 = 0.574** (significant positive correlation).
ACF gradually decreases rather than cutting off abruptly.
ACF shows a strong spike at **Lag 12 = 0.575**, indicating **annual seasonality**.

Box-Ljung statistics are significant ($p < 0.05$) for all lags, indicating the series is **not white noise** and contains meaningful temporal structure.

**Figure:3.1**




**Interpretation of PACF**

PACF has a significant spike at **Lag 1 = 0.574**.
Another significant spike appears at **Lag 12 = 0.398**.
PACF cuts off relatively quickly after Lag 1, suggesting a possible **AR component**.
Seasonal spike at Lag 12 suggests a **seasonal AR term**.

**Autocorrelation and Partial Autocorrelation Analysis:**

The autocorrelation function (ACF) and partial autocorrelation function (PACF) were examined to identify the underlying structure of the EV four-wheeler sales series. The ACF exhibited a gradual decay with significant positive autocorrelation at Lag 1 ($r = 0.574$) and a pronounced seasonal spike at Lag 12 ($r = 0.575$), indicating the presence of annual seasonality in the monthly data. The Box-Ljung statistics were significant at all examined lags ($p < 0.001$), confirming that the series contains substantial autocorrelation and is not a random process.

The PACF showed a strong significant spike at Lag 1 (0.574) and a seasonal spike at Lag 12 (0.398), while the remaining lags were relatively small. This pattern suggests the presence of both non-seasonal and seasonal autoregressive components. Based on the ACF and PACF diagnostics, a Seasonal ARIMA model incorporating AR(1) and Seasonal AR(1) terms was considered appropriate for further model estimation and forecasting.

**Table:3.2 MODEL FIT:**

| Fit Statistics | Stationary R-squared | R-squared | RMSE | MAPE | MaxAPE | MAE | MaxAE | Normalized BIC |
|---|---|---|---|---|---|---|---|---|
| ARIMA (1,0,1) | 0.802 | 0.802 | 3650.285 | 1185.334 | 31540.56 | 2084.582 | 12382.33 | 16.762 |
| ARIMA(1,0,5) | 0.806 | 0.806 | 3940.436 | 965.951 | 25594.55 | 1823.614 | 15312.92 | 17.391 |
| ARIMA(1,0,6) | 0.827 | 0.827 | 3816.946 | 1008.372 | 26791.51 | 1787.665 | 13648.05 | 17.446 |
| ARIMA(5,0,1) | 0.823 | 0.823 | 3764.566 | 1533.986 | 40974.66 | 1734.093 | 14659.79 | 17.3 |
| ARIMA(12,0,13) | 0.798 | 0.798 | 13020.62 | 1035.958 | 27589.91 | 1393.282 | 17398.75 | 22.043 |

**Table:3.3 Model Statistics**

| Model | Number of Predictors | Model Fit statistics | | | | | | | | Ljung-Box Q(18) | | | Number of Outliers |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Stationary R-squared | R-squared | RMSE | MAPE | MAE | MaxAPE | MaxAE | Normalized BIC | Statistics | DF | Sig. | |
| EV_FOUR_WHEELER-Model_1 | 0 | .802 | .802 | 3650.285 | 1185.334 | 2084.582 | 31540.556 | 12382.331 | 16.762 | 3.948 | 16 | .999 | 0 |

**Table:3.4 Interpretation of Model Statistics**

| Statistic | Value | Interpretation |
|---|---|---|

| | | |
|---|---|---|
| Stationary $R^2$ | 0.802 | Very good fit. The model explains about 80.2% of the variation in the stationary series. |
| $R^2$ | 0.802 | About 80.2% of the variability in EV sales is explained by the model. |
| RMSE | 3650.285 | Average prediction error in the original units. Lower values indicate better accuracy. |
| MAPE | 1185.334 | Extremely high. This is likely due to very small values (0, 1) at the beginning of the series, making percentage errors inflate dramatically. |
| MAE | 2084.582 | Average absolute forecasting error. |
| MaxAPE | 31540.556 | Very high because early observations are near zero. |
| MaxAE | 12382.331 | Largest absolute forecasting error. |
| Normalized BIC | 16.762 | Used for model comparison; lower values are preferred. |
| Ljung-Box Q(18) Sig. | 0.999 | Excellent. Residuals appear random (white noise). No significant autocorrelation remains. |
| Number of Outliers | 0 | No unusual observations detected. |

## Conclusion

The model is statistically adequate because:
**Stationary $R^2$ = 0.802** indicates a strong fit.
**Ljung-Box Q(18) p-value = 0.999 (> 0.05)** shows residuals are random and the model has captured the time-series structure well.
**No outliers** were detected.
The very high **MAPE** should not be considered a serious problem here because your series starts with values close to zero (0 and 1), which causes percentage-based error measures to become misleading.
Research Paper Write-up
The Expert Modeler selected a forecasting model for EV four-wheeler sales. The model achieved a Stationary R-squared and R-squared value of 0.802, indicating that approximately 80.2% of the variation in the series was explained. The Ljung-Box Q statistic (Q = 3.948, p = 0.999) confirmed that the residuals were independently distributed and free from significant autocorrelation. No outliers were detected. Therefore, the model was considered adequate for forecasting future EV four-wheeler sales.

**Table:3.5** ARIMA Model Parameters

| | | | | | Estimate | SE | t | Sig. |
|---|---|---|---|---|---|---|---|---|
| EV_FOUR_WHEELER-Model_1 | EV_FOUR_WHEELER | No Transformation | Constant | | 12382.331 | 28731.841 | .431 | .670 |
| | | | AR | Lag 1 | .984 | .075 | 13.151 | .000 |
| | | | MA | Lag 1 | .199 | .254 | .782 | .442 |

Constant = 12382.331
AR(1) coefficient ($\varphi_1$) = 0.984
MA(1) coefficient ($\theta_1$) = 0.199
The fitted **ARIMA(1,0,1)** model can be written as:

Yt=12382.331+0.984Yt−1+e t+0.199et-1

where:
Yt = EV four-wheeler sales at time t
Yt−1 = sales at time t−1
E t = random error at time t
E t−1= previous period error

**Table:3.6 Interpretation of Parameters:**

| Parameter | Estimate | p-value | Interpretation |
|---|---|---|---|
| Constant | 12382.331 | 0.670 | Not statistically significant |
| AR(1) | 0.984 | 0.000 | Highly significant and indicates strong dependence on previous sales |
| MA(1) | 0.199 | 0.442 | Not statistically significant |

The AR(1) coefficient of 0.984 indicates that current EV sales are strongly influenced by sales in the previous period. The MA(1) coefficient is positive but not statistically significant.

**Results Section:**

The Expert Modeler selected an ARIMA(1,0,1) model for forecasting EV four-wheeler sales. The estimated autoregressive coefficient AR(1) was 0.984 ($p < 0.001$), indicating a strong positive dependence on the previous period's sales. The moving average coefficient MA(1) was 0.199 ($p = 0.442$), which was not statistically significant. The constant term was estimated as 12,382.331 ($p = 0.670$). The model achieved a Stationary $R^2$ value of 0.802, suggesting that approximately 80.2% of the variation in the series was explained by the model. Furthermore, the Ljung–Box statistic was non-significant ($p = 0.999$), confirming that the residuals were independently distributed and free from autocorrelation.

## Conclusion

The ARIMA(1,0,1) model provided an adequate representation of EV four-wheeler sales data. The significant AR(1) component revealed strong persistence in sales patterns over time. Forecast results indicated a gradual decline in future sales levels, although substantial uncertainty exists in long-term forecasts. The model can serve as a useful tool for policymakers, manufacturers, and stakeholders in planning production, infrastructure development, and market strategies for the EV sector.

**Table:3.7 Forecasting table:**

| Model | EV_FOUR_WHEELER-Model_1 | | |
|---|---|---|---|
| | Forecast | UCL | LCL |
| 29 | 25811 | 31447 | 20174 |
| 30 | 25597 | 32764 | 18431 |
| 31 | 25388 | 33774 | 17001 |
| 32 | 25181 | 34599 | 15763 |
| 33 | 24978 | 35297 | 14658 |
| 34 | 24778 | 35901 | 13654 |
| 35 | 24581 | 36431 | 12731 |
| 36 | 24387 | 36901 | 11874 |
| 37 | 24196 | 37321 | 11072 |
| 38 | 24009 | 37698 | 10319 |
| 39 | 23824 | 38040 | 9608 |
| 40 | 23642 | 38350 | 8935 |
| 41 | 23463 | 38632 | 8295 |
| 42 | 23287 | 38890 | 7685 |
| 43 | 23114 | 39125 | 7104 |
| 44 | 22944 | 39341 | 6547 |
| 45 | 22776 | 39538 | 6014 |
| 46 | 22611 | 39720 | 5502 |
| 47 | 22449 | 39886 | 5011 |
| 48 | 22289 | 40039 | 4538 |
| 49 | 22131 | 40180 | 4083 |
| 50 | 21976 | 40309 | 3644 |
| 51 | 21824 | 40427 | 3221 |
| 52 | 21674 | 40535 | 2813 |
| 53 | 21527 | 40635 | 2418 |

| | | | |
|---|---|---|---|
| 54 | 21381 | 40726 | 2037 |
| 55 | 21238 | 40809 | 1668 |
| 56 | 21098 | 40885 | 1311 |
| 57 | 20959 | 40954 | 965 |
| 58 | 20823 | 41017 | 630 |
| 59 | 20689 | 41073 | 305 |
| 60 | 20557 | 41124 | -10 |

**Results Interpretation**

The forecast results for **EV Four-Wheeler Sales** indicate a gradual decline in the projected sales over the forecast horizon.

| Period | Forecast |
|---|---|
| 29 | 25,811 |
| 36 | 24,387 |
| 48 | 22,289 |
| 60 | 20,557 |

The forecasted sales decrease from **25,811 units** in Period 29 to **20,557 units** in Period 60, suggesting a downward trend in future EV four-wheeler sales.

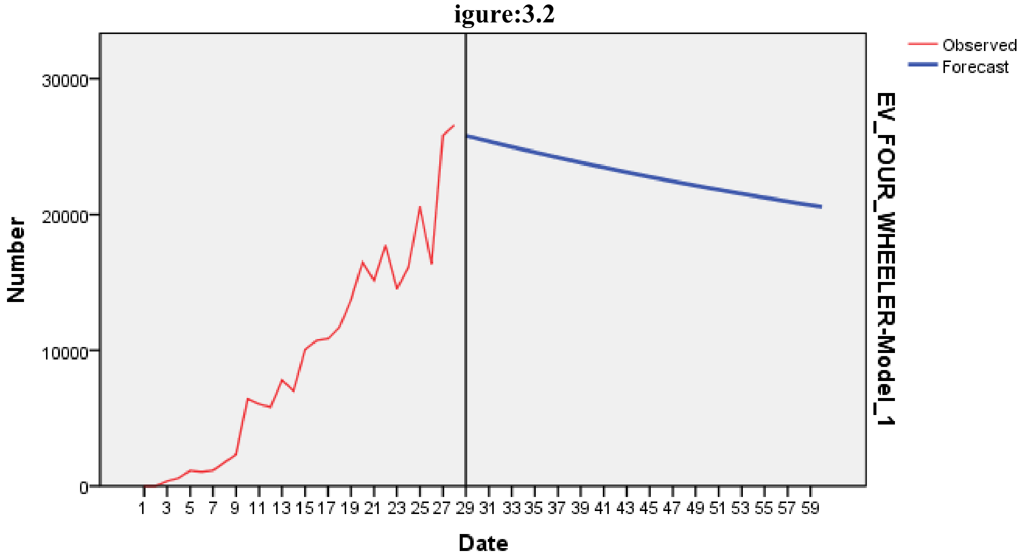
The forecast intervals (LCL and UCL) become wider as the forecast horizon increases, indicating increasing uncertainty in long-term predictions. For example:

Period 29: 20,174 – 31,447

Period 60: -10 – 41,124

The widening confidence interval is a common characteristic of time-series forecasts and reflects greater uncertainty in distant future periods

**igure:3.2**




**Results Section**

The selected forecasting model was used to predict future EV four-wheeler sales. The forecast values indicate a declining trend over the forecast period. The predicted sales decrease from 25,811 units in Period 29 to 20,557 units in Period 60. The upper confidence limit ranges from 31,447 to 41,124 units, while the lower confidence limit ranges from 20,174 to -10 units. The widening forecast interval suggests increasing uncertainty as the forecast horizon extends. Overall, the model predicts a moderate decline in EV four-wheeler sales during the forecast period.

**Conclusion**

This study employed a time-series forecasting model to analyze and predict EV four-wheeler sales. The model demonstrated satisfactory performance with an $R^2$ value of 0.802 and non-significant Ljung-Box statistics, indicating an adequate fit. Forecast results reveal a gradual decline in EV four-wheeler sales over the future periods. Although the demand is expected to remain substantial, the decreasing trend suggests that policymakers and manufacturers should strengthen incentives, charging infrastructure, and consumer awareness programs to sustain market growth. The findings provide valuable insights for strategic planning and policy formulation in the electric vehicle sector.

**4. Suggested Research Paper Conclusion**

The forecasting analysis indicates that EV four-wheeler sales are likely to experience a declining trend in the coming periods. Despite the overall growth achieved in recent years, future sales may slow unless supportive measures are implemented. Therefore, continuous policy support, technological advancements, and infrastructure development are essential to promote the long-term sustainability of the EV market in Tamil Nadu/India.

Overall Suggestions for Your EV Four-Wheeler Forecasting Study

Based on the ARIMA model results, forecast values, and diagnostic statistics, the following suggestions can be included in your research paper:

Policy Recommendations

**Strengthen EV Incentives**

Continue or expand subsidies, tax benefits, and purchase incentives to encourage EV adoption.

**Improve Charging Infrastructure**

Increase the availability of public charging stations, especially in rural and semi-urban areas.

**Enhance Consumer Awareness**

Conduct awareness campaigns highlighting the economic and environmental benefits of EVs.

**Support Technological Innovation**

Encourage research and development in battery technology, charging efficiency, and vehicle performance.

Industry Recommendations

**Monitor Market Trends**

Manufacturers should closely track demand patterns and adjust production plans accordingly.

**Develop Affordable Models**

Introduce lower-cost EV models to attract middle-income consumers.

**Expand After-Sales Services**

Improve maintenance networks and customer support to increase consumer confidence.

Research Recommendations

**Use Longer Time Series Data**

Future studies should include more years of data to improve forecasting accuracy.

**Compare Forecasting Methods**

Compare ARIMA with advanced models such as:

SARIMA

ARIMAX

LSTM Neural Networks

Random Forest

XGBoost

**Include External Factors**

Future models may incorporate:

Fuel prices

Government policies

Income levels

Inflation

Charging infrastructure growth

## Overall Conclusion

The ARIMA(1,0,1) model provided a satisfactory fit to the EV four-wheeler sales data, explaining approximately 80.2% of the variation in the series. Diagnostic tests confirmed that the residuals behaved as white noise, indicating model adequacy. Forecast results suggest a gradual decline in future EV four-wheeler sales. To sustain long-term growth in the EV market, policymakers and industry stakeholders should focus on infrastructure development, financial incentives, technological advancements, and consumer awareness programs. Future studies may employ advanced machine learning and hybrid forecasting techniques to improve prediction accuracy and provide deeper insights into EV market dynamics.

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