

# Green cars in spotlight as India eyes electric revolution

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The e2o NXT from Mahindra Electric, which is the only company producing electric vehicles in India

Electric cars bask in the limelight at India's flagship auto show, where an ambitious plan to phase out polluting clunkers has manufacturers racing

to lure millions of new drivers to their green vehicles.

Prime Minister Narendra Modi's government wants all new cars on India's roads to be electric by 2030 to combat smog that routinely eclipses dangerous levels in the nation of 1.25 billion.

Some auto giants at the motor show in New Delhi have expressed reservations about the aggressive roll out, when so little of India is equipped to charge [electric cars](#) and most drivers cannot afford the hefty price tags.

But few are willing to risk a golden opportunity in the world's fifth-largest car market, where owning a four-wheeler is a status symbol.

"We are a strong believer in electric, and with a leap of faith, we started investing even before the government announcement," said Mahesh Babu, CEO of Mahindra Electric, currently the only company producing electric vehicles in India.

The Indian auto firm is a "pioneer in e-mobility", investing \$75 million in its electric fleet since 2010 with another \$90 million earmarked as production ramps up in the next three years, Babu said.

Others are racing to produce competing models at lower prices, with Maruti Suzuki—India's biggest maker of passenger vehicles—promising to launch an electric car in 2020.

Banking on big sales, Maruti has poured \$180 million into a new plant to construct lithium-ion batteries in partnership with Japan's Denso and Toshiba.

Tata Motors, part of the sprawling tea-to-steel conglomerate, in September won a contract to supply 10,000 electric cars for the

government.



Maruti Suzuki, India's biggest maker of passenger vehicles, aims to launch an electric car in the country in 2020

## **Hesitation**

The cars, priced at nearly \$15,500, are the first attempt by the government to replace its half-a-million fleet of diesel and petrol guzzlers with electric vehicles.

Tata Motors is also experimenting with electric buses, and is looking to

revamp its popular small Nano model as a battery-powered vehicle.

Car ownership is steadily rising in Asia's third-largest economy, where four million new cars were sold in 2016. PriceWaterhouseCoopers expects annual sales to grow to nearly seven million by 2022.

But the lion's share still run on petrol and diesel, worsening already atrocious air quality in a country that ranks among the world's most polluted.

A government report in May said the mobility of passengers through shared and electric vehicles can cut India's energy demand by 64 percent and carbon emissions by 37 percent in 2030.

India is not alone in wanting all-electric cars—Britain and France hope to achieve this by 2040—but New Delhi wants to go faster than others.

But the transition has been slow, and some global auto giants are hesitant to take the plunge in India.

Mercedes has described the 2030 deadline as rushed, while Elon Musk postponed the India launch of his Tesla Model 3.



India wants all new cars on India's roads to be electric by 2030, though some auto giants have expressed reservations about the aggressive roll-out

The California-based company is slated to open a factory in China, India's regional rival where the electric car market is booming.

## 'Crystal ball gazing'

At the auto show in New Delhi, car makers pointed out that India lacked the charging points needed to refuel depleted batteries—a major roadblock to taking electric cars nationwide.

"Who will develop this, who will fund this? All this is unclear at the

moment. It is absolutely [crystal ball](#) gazing," said Manohar Bhat from South Korean giant Kia Motors, which is expected to soon unveil an electric [vehicle](#) exclusively for the Indian market.

Other vendors at the car fair said securing enough lithium to build batteries for millions of [electric vehicles](#) would be challenging and costly.

Mahesh Bendre, an auto industry analyst with Karvi Stock Broking, said electric cars would only succeed in India if the price was right.

"The government can push it to some extent but in the end it will boil down to making the right product available to the consumers at the right cost," he told AFP.

Fully electric cars are expected to make up 12 percent of the global market in 2025, analysts at Bank of America Merrill Lynch forecast last year. But that share is expected to reach one third by 2030 and 90 percent midway through the century.

Bhat, of Kia, said different markets would go electric when the time was right.

"I wouldn't say we have missed the bus," he said.

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