

Volvo Cars India aims to go fully electric ahead of 2030 global target

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Volvo Cars India aims to go fully electric ahead of 2030 global target Photographer: Casper Hedberg/Bloomberg

NEW DELHI: Swedish carmaker Volvo's Indian arm aims to fully electrify its portfolio well in advance of the parent's global electrification target of 2030, a top executive at Volvo Cars India said.

Volvo plans to eventually phase out its gasoline-based vehicles in favour of battery electric vehicles (BEVs), though its IC-engine portfolio only consists of mild hybrid models at the moment.

In India, the automaker hopes to convert half of its sales to EVs by 2025, Jyoti Malhotra, managing director, Volvo Auto India said in an interview. The company wants to "expand" the market for premium and luxury EVs in India to

introduce products across price segments in these categories, with its latest launch, the pure electric crossover C40 Recharge coming months after the XC40 Recharge EV, which already accounts for 27% of its total sales in India this year as of May.

Deliveries for the C40, billed to be the most affordable e-luxury car in India, are likely to begin in September.

The XC40 Recharge pure EV has an ex-showroom price of ₹56.9 lakh, significantly lower than EVs offered by its German rivals BMW (excluding the Mini Cooper SE, which starts at a lower price of ₹52.9 lakh), Mercedes-Benz and Audi. EVs currently account for just over 5% of all cars sold in the luxury segment in India, more than the 2% EV penetration in the mass market for passenger vehicles.

“We are sure that 100% electrification will happen in India before 2030. How fast, will depend on a variety of factors. But we can certainly meet this target before many other countries globally. We have also committed to draw 50% of our sales from electric by 2025. Our take is that we will see a much faster adoption of EVs in India for Volvo. This will probably happen with the industry also. Infrastructure is coming up at a pace we have not envisaged,” Malhotra said.

“Today there is a very limited choice for EVs available to customers. The important thing is expanding the market and we expect each product line will add to the industry’s volumes. Our objective is to convert any customer looking for a luxury car at a certain price point to choose an EV over IC-engine vehicles,” he said.

Despite its incremental launches being focused in the EV space, Volvo Cars expects demand for its non-EV models to hold up well for the ongoing year, with sales likely to surpass pre-covid-19 peak volumes seen in 2018.

“At this point of time, there is a robust demand for luxury cars in the market. The first five months of the year have been quite good, and I see this year for the industry will be better than 2018 which was the peak for us. I think we will

all cross that line. But having said that, the challenge is there is still a constraint on supplies and our challenges on that front are not over yet. So supplies are uncertain. You'd plan something and something will happen and you're forced to replan. However, if supplies remain the way they are, as an industry we should attain a new record sales volume this year. Even so, we are still behind the mass market which has already crossed that line and achieved record volumes last year. We want to go back to those levels," Malhotra said.

Volvo Cars India said it is confident that as EV sales continue to grow, India's infrastructure development will aid the market expansion.

"The advantage of all the roads being built in India right now is they can be built in an EV-friendly manner. These are stated government objectives, when this infra comes up, customers will see a lot of positives," Malhotra said.

"The fact there is no sunset on the life of these vehicles, unlike for IC-engine vehicles in states like Delhi, will also will have a positive impact. What we need to do faster as a country is resolve issues with discoms and make it convenient and easy to install chargers," he said.