

India's EV sales seen doubling led by battery-powered scooters



An employee test drives an Ather Energy 450X electric scooter at the company's manufacturing facility in Hosur, India. (Bloomberg)

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Retail sales in India of electric vehicles led by battery-powered scooters and rickshaws will almost double in the current fiscal year started April 1 as demand for such transportation picks up, according to a dealers' body.

As many as 800,000 electric vehicles will be sold in India in the year through March 2023, compared with 429,217 units in the previous period, Vinkesh Gulati, president of the Federation of Automobile Dealers Associations, said at an event Tuesday. Two-wheelers clocked sales of 231,338 units in 2022.

The switch to clean transport in the South Asian nation is slower than other countries such as China and the U.S. By 2040, just 53% of new automobile sales in India will be electric, compared with 77% in China, according to BloombergNEF. Expensive price tags, lack of options in electric models and insufficient charging stations have led to sluggish adoption of battery vehicles in India.

India's electric transition is "marred" by a slow increase in production capacity, even though demand is rising, Gulati said. Electric vehicle sales can cross 1 million units next year if automakers scale-up capacity, he said.

India needs stricter regulation for electric vehicles to improve safety standards, Gulati said. Low-speed electric vehicles, powered by a 250 watt motor, don't have to be registered and can be driven without a license, resulting in safety issues, he said.

Hero Electric Vehicles Pvt., which dominates the local electric two-wheeler market with 28% share, sold 65,303 units in fiscal 2022 versus 14,771 in the previous year. Sales of Okinawa Autotech Pvt., with 20% market share, jumped 566% to 46,447 this year, while Ola Electric Mobility Pvt. sold 14,371 units and controls 6.2% of the sector.

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