

# Economic Survey 2023: EV industry to create 5 cr jobs by 2030, says FM

The FM says the EV industry will also contribute to the economy's overall growth by creating 5 cr direct and indirect jobs by 2030. These jobs will work in tandem to put 1 crore EVs on road by 2030



Finance minister Nirmala Sitharaman

**India's domestic market for electric vehicles (EVs) is expected to grow at a compounded annual growth rate (CAGR) of 49% between 2022 and 2030, and is expected to hit one crore units in annual sales by 2030, Nirmala Sitharaman, Union finance minister noted in the Economic Survey tabled on Tuesday in Parliament. Her comments come at a time when the government has acknowledged the automotive industry is expected to play a critical role in the transition towards green energy.**

**The finance minister says the EV industry will cumulatively create five crore direct and indirect jobs by 2030. It should be noted that in 2021, the EV sector attracted around \$6 billion in investments, and according to Invest India, is expected to increase to \$20 billion by 2030. India's total number of charging stations climbed by 285% year-on-year in FY 2022; strong government measures are projected to accelerate the expansion to four lakh stations by FY 2026.**

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**Many conventional players have started to invest heavily in the EV sector to boost adoption. On Tuesday, Hyundai Motor India Limited (HMIL) installed the first two ultra-fast public charging stations across the Hyderabad-Vijayawada route, at Narketpalle, and the Delhi-Chandigarh route, at Kurukshetra. HMIL aims to set up 10 ultra-fast public charging stations in the first half of CY2023 and will continue expansion to other cities and highways. “We are delighted to take another step in the direction of strengthening the Indian Government’s resolve for electrification,” says Jae Wan Ryu, executive director, corporate planning, HMIL.**

**According to the survey, India was also the largest two-wheeler manufacturer in the world. Consequently, it will be the two-wheeler sector that will make the most inroads in electrification. According to a report by Redseer Strategy Consultants, the electric two-wheeler market is expected to be over 80% of the overall two-wheeler market by 2030.**

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**One of the critical drivers of growth is the rise of numerous brands in the electric two-wheeler space — such as Ather, Ola, Hero Electric, Bajaj, TVS, Okinawa, PUREV, and Revolt. As a result, consumers have more options, pushing better adoption across price points and improving trust among the masses. Consequently, electric two-wheeler sales across India are on the rise, including in tier 3 and tier 4+ cities.**

**The government has rolled out the Production Linked Incentive (PLI) Scheme (with a \$3.5 billion budget) for the automotive industry, promoting localised manufacturing of EV batteries, and reducing reliance on imports. The Redseer report reiterates the importance of the government as the fundamental enabler for early EV adoption with FAME and PLI schemes. These schemes should continue for the next few years until electric two-wheelers become mainstream, as there have been reduced electric two-wheeler sales in geographies where state subsidies were rolled back.**

**The finance minister notes the automobile sector’s importance is gauged by the fact that it contributes 7.1% to the overall GDP and**

**49% to the manufacturing GDP — while generating direct and indirect employment of 3.7 crore at the end of 2021. According to Invest India, by 2030, the industry aspires to generate 50 million direct and indirect jobs.**

**The survey also mentions that in December 2022, India became the third-largest automobile market, surpassing Japan and Germany in terms of sales. Toshihiro Suzuki, representative director and president, Suzuki Motor Corporation (SMC), said at the recently concluded Auto Expo that India has the potential of becoming the largest market for passenger vehicles in terms of sales, and it will inevitably reach that coveted milestone.**

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