

EVs gain traction globally, India takes three-wheeler throne

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In a groundbreaking shift, India has overtaken China to become the largest market for electric three-wheelers, with over 580,000 sales in 2023, according to the latest Global Electric Vehicle Outlook by the International Energy Agency (IEA). This surge in electric vehicle (EV) adoption underscores a broader trend of rapid growth in the electric mobility sector, fueled by government incentives and a growing awareness of the environmental benefits of EVs.

The IEA report highlights India's remarkable progress in transitioning to electric mobility, with sales of electric two-wheelers and three-wheelers experiencing substantial growth. In 2023, around 1.3 million electric two-wheelers were sold in India and Southeast Asia, representing 5% and 3% of total sales, respectively. Moreover, one in five three-wheelers sold globally last year was electric, with nearly 60% of those sold in India.

Interestingly, India's pole position has been ensured by the contribution of Uttar Pradesh, which is the world's largest sub national entity. The state accounted for a substantial portion of India's electric three-wheeler sales, with over 61,000 units sold in 2024, maintaining its position as a key contributor to the country's electric vehicle market.

This milestone achievement is attributed to government initiatives such as the Faster adoption and manufacturing of electric vehicles (Fame II) subsidy scheme, which has incentivized the adoption of electric vehicles and contributed to a significant reduction in the cost of ownership. India's electric 3W market saw a remarkable 65% increase in sales compared to 2022, surpassing China's sales figures.

Lauding the role of Uttar Pradesh, Aarti Khosla, director of climate trends commented, "The vehicles are essential to decarbonized last-mile connectivity and intra-city small goods deliveries." She added, "India is therefore close to an inflexion point in this segment, with falling prices and consistent government support putting electric three-wheelers in touching distance of price parity with their ICE counterparts."

Amit Bhatt, India managing director of the international council on clean transportation, emphasized the importance of extending the transition to electric mobility beyond two- and three-wheelers. "For a meaningful impact on climate change, this transition needs to extend to other vehicles, particularly trucks," Bhatt stated. He highlighted efforts to electrify India's entire fleet, including trucks, by 2050, emphasizing the importance of collaborative initiatives to streamline policies and regulatory frameworks in favor of electric vehicles.

The IEA report also underscores the global momentum of electric vehicle adoption, with projections suggesting that electric car sales could reach around 17 million in 2024, accounting for more than one in five cars sold worldwide. China, Europe, and the United States are expected to lead the charge, supported by falling battery and car prices, as well as ongoing policy support.

Despite concerns about tight margins, volatile battery metal prices, and the phase-out of purchase incentives in some countries, the electric vehicle industry's pace of growth remains strong. Emerging economies such as Vietnam and Thailand are also experiencing a surge in electric vehicle sales, signaling a broader global shift toward sustainable transportation solutions.

As India continues to lead the charge in electric three-wheeler adoption, stakeholders are optimistic about the sector's growth trajectory and its potential to drive meaningful environmental impact while creating new opportunities for the automotive industry and ancillary sectors.