

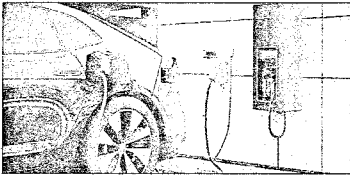
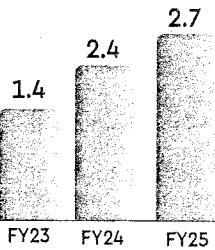
Global auto heavyweights tepid on local EV market

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THE GOVERNMENT IS keen on making India a hub for electric vehicle (EV) manufacturing and offering incentives to attract investments. However, global automotive heavyweights like Renault, Volkswagen, Nissan and Skoda have decided to focus on vehicles using traditional fuels. They are simply not convinced about the prospects of the local EV market. As Venkatram Mamillapalle, managing director, Renault India, pointed out EV penetration is just 2% of the 4.3 million, with only a handful of players. In fact, the share of EVs in the total auto market is running short of targets. Moreover, the charging infrastructure remains a work in progress and there are challenges relating to the levels of localisation. "Does this justify investment," Mamillapalle asked, adding that those investing are players who are learning because they are bringing in new technology. Renault has been showcasing EVs at the biennial Indian Auto Expo since 2018 but is yet to launch one in India. "EV technology is available with me and proven. It is not diffi-

IN THE SLOW LANE

Share of EVs in total auto sales (in %)



Renault, Nissan, Volkswagen, and Skoda are going slow on EV in India and have decided to focus on cars using traditional fuels

Slow adoption: Share of EVs in the total auto market is running short of targets

Charging infrastructure: Nearly half of 25,000 public chargers are reportedly non-functional

Low level of localisation: India has to depend on countries like China and South Korea to source battery cells

cult to get it to India," Mamillapalle said. Renault has refrained from launching electric version of Kwid in India although the ICE version has been around for years. Czech car brand Skoda wants to re-focus on petrol-powered cars for now. It has put its EV plans on the back burner though it had announced the launch of one of its models in September 2025. Ashish Gupta, brand director, Skoda Auto India, believes the inflexion point for EVs will only come around 2026-27. "That's when manufacturers will have the capability to locally produce cars and also when supply chain issues will be ironed out," he said.

Gupta observed that the earlier forecast of a 30% EV penetration by 2030 might be difficult. "Around 15-18% should be achievable, which itself would be substantial," Gupta added. Japanese producer Nissan has chosen Thailand over India to manufacture its upcoming electric sports utility vehicle (SUV). On August 1, the company sold its stake in the manufacturing joint venture, Renault Nissan Automotive India, to its French partner Renault as part of its global restructuring exercise. German automotive giant Volkswagen also does not plan to have a locally manufactured EV in India. The ID.4 electric

vehicle, which was supposed to be the first EV from Volkswagen in the country, was to be launched by the end of 2024. Unlike some of the developed markets, India's public EV charging infrastructure remains underdeveloped. As of February 2024, there were approximately 25,000 public chargers for all vehicles like e2W, e3W, e4W, eBus, in the country, but around 12,100 of them were reportedly non-functional, as per a report by TATA.ev. Also, India has to depend on countries like China and South Korea to source battery cells, exposing it to the vagaries of supply chain uncertainties and the changing geopolitical situation.