

3-wheelers take charge in auto industry's electrification race

Account for half the registrations in the category this year

SURAJEET DAS GUPTA
New Delhi, 21 November

The popular perception that two-wheelers are leading the auto industry's shift to electrification is a myth. It is electric three-wheelers, led by the proliferation of the popular e-rickshaws used for short distances, that account for half the total registrations in this category (ICE and electric).

The number is based on the latest data from VAHAN for the calendar year 2022 and shows a sharp uptick. In 2021, electric three-wheelers accounted for only 41 per cent of registrations. In 2020, they accounted for 24 per cent and in 2019 it was a mere 18.4 per cent of the total three wheeler market.

There were 290,454 electric three wheelers which were registered from January to date and the bulk of the numbers came from e-rickshaw registration on Indian roads accounting for 93 per cent of the total share.

The remaining three wheeler vehicles (such as the Bajaj Auto) are still

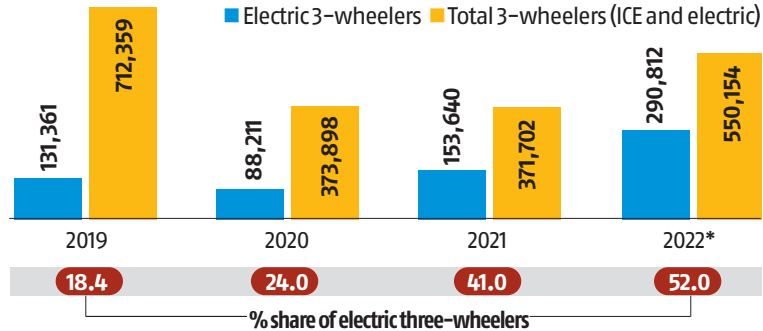


dominated by the petrol version. Out of their total registration in 2022 of 278,630 vehicles, only a miniscule 7 per cent are electric.

Companies like Bajaj Auto and Greaves Cotton in this space are pushing on the pedal in that they are expected to launch a variety of models. But it remains a fragmented market where no player has a market share of over 10 per cent. Vivek Singh, MD and group CEO of Sona Comstar, which supplies components to electric vehicles, has a broad view of the relative speed of conversion of vehicle segments from ICE to electric.

"It might not be glamorous but the real conversion from ICE to electric has

GREEN DRIVE



*till date

Source:VAHAN

actually happened in three wheelers," said Singh. "We believe that this will be followed by two wheelers, then electric buses, and electric LCVs and there is also a large potential in electric tractors as they can be very cost-efficient."

Assisted by bulk buying by some state public transportation companies, buses are also seeing a reasonable speed of conversion to electric.

Most of the electric buses are in the heavy passenger vehicle category and VAHAN data suggests that in this category, 18 per cent of total registrations (electric and ICE) are accounted for by them. In the calendar year of 2022 to date, 1,755 electric heavy passenger vehicles under the buses category were

registered out of a total of 9692 (ICE and electric).

In fact, after a slow patch, electric two wheelers have seen a sharp increase in sales in October during the festival season. Companies are already talking of reaching inflexion point for a quick acceleration.

Electric two wheelers already account for 4-5 per cent of the total sales in this category and by 2027, Hero Electric says it will reach nine million or nearly half of total two wheelers sold in the country (ICE and electric).

The segment likely to grow much more sluggishly is passenger cars where electric vehicles are currently less than 1 per cent of total sales.