

INDIA SEES TRIPLE-DIGIT GROWTH IN SALES OF ELECTRIC TWO-WHEELERS

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Industry & Services Sector incl. MSMEs and PSUs

SMEV said in a report sales rose 132% and 233,971 electric vehicles were sold in 2021

NEW DELHI : Sales of electric two-wheelers in India increased 132% in 2021, the Society of Manufacturers of Electric Vehicles (SMEV) said in a new report.

A total of 233,971 electric two-wheelers were sold during the year as compared to 100,736 a year ago.

Hero Electric, with 34% of the market share, was the top seller, followed by Okinawa (22%) and Ather (12%)—the other two companies with a double-digit market in the top ten.

Electric two-wheelers that can go beyond 25km per hour and require a full drivers licence, grew at an even higher 425% as compared to low-speed counterparts which grew only by 24%.

Low-speed electric two-wheelers move at under 25kmph and require no licence or registration. According to SMEV, low-speed electric two-wheelers were in demand until 2020, when they accounted for 70% of sales. However, interest waned in 2021, especially in the October-December quarter when their market share dropped to less than 15%.

SMEV has attributed this to the subsidies given to high-speed electric two-wheelers under the FAME 2 policy that have made them more affordable than low-speed two wheels. FAME 2 or Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India is an incentive-based scheme by the government to subsidise the making and buying of electric vehicles including two-wheelers. According to Sohinder Gill, director general of SMEV, the recent changes in EV policy through FAME 2 were game-changing for the EV industry.

"In the last 15 years, we collectively sold around 1 million electric two wheelers, e-three wheelers, e-cars, and e-buses, and we will most likely sell the same 1 million units in just one year beginning January 22," said Gill. He believes that in the next 12 months, sales will grow 5 to 6 times more.

"Customers have now started shifting in large numbers from petrol two-wheelers to electric ones due to attractive prices, lower running costs, and lower maintenance. A significant percentage of customers also factor in the environment and sustainability in their decision to buy an electric two-wheeler," he added.

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