West Asia impetus for India's EV transition

By Amitabh Kant

The ongoing West Asia crisis is not merely a geopolitical issue but also an important warning on India's energy dashboard. India imports over 87% of its crude oil requirements, and more than a fifth originates from or transits through a region that has never seen this level of volatility.

It is also an important reminder that India must view petroleum as a strategic liability and use the current crisis to transition to a self-reliant future, with the electrification of transport as the single most decisive action.

India is the world's third-largest automobile market, contributing nearly 7% to GDP and supporting millions of livelihoods. But the sector stands at a pivotal inflection point. A global technological transformation is rapidly shifting the auto industry away from internal combustion engines (ICE) toward the final frontier of innovation: electrification. And this transition is accelerating faster than many expected.

What is needed now is a decisive vision, backed by policy precision. The West Asian crisis must provide that impetus. Five decisive actions are required.

1. Mandate 100% Electrification of 2W and 3W by 2030

India must set a clear-cut target for phasing out internal combustion engine vehicles. Two- and three-wheelers are the right segments to achieve 100% electrification of new sales by 2030. The UK and the European Union have moved toward a 2035 target. Even Asian countries, including Indonesia, Thailand, and Taiwan, have already established ICE phase-out timelines. India, given its scale and manufacturing strength, cannot afford a gradual approach.

A clear timeline for ICE phase-out will provide certainty to industry, enabling investments in domestic manufacturing and supply chains. It will create a market, unlock private capital, accelerate cost reductions through scale, and accelerate EV adoption.

2. Finalise CAFE-3 Now

Electrification of passenger cars in India remains slow. While China has reached around 50% EV penetration in new car sales, Europe exceeds 20% and the United States has crossed 10%, India remains at roughly 4%. This segment requires a structural push, not incremental incentives. The policy instrument already exists in the form of Corporate Average Fuel Efficiency norms.

The Bureau of Energy Efficiency has released draft proposals for the next phase, yet the standard remains unresolved. This delay creates uncertainty and weakens investment

signals. CAFE-3 must establish clear annual EV targets and eliminate provisions such as volume-based derogations and hybrid super-credits that dilute real progress.

A credible pathway would target at least 30% electric car sales by 2030, aligned with NITI Aayog's national ambition.

3. Electrify Buses and Trucks at Scale

The electrification of heavy duty vehicles is no longer aspirational. It is both feasible and necessary. Prime Minister Modi in his recent speech in the parliament has highlighted the government's progress in deploying 15,000 electric buses and advancing alternative energy in transport. The PM E-DRIVE scheme, with an outlay of Rs 10,900 crore, reflects this commitment. The next step is scale. Public bus electrification must accelerate, with a clear push to include privately owned and school buses.

Freight is even more critical. Trucks account for just 3% of vehicles but nearly 45% of transport emissions. Electrifying this segment is essential. While the Rs 500 crore allocation for e-trucks under PM E-DRIVE is a start, execution remains weak.
A recent Parliamentary Standing Committee report highlights the gap. Deployment of e-buses, e-trucks, and e-ambulances remains at zero, even as allocations for 2026-27 have been reduced sharply. This is misaligned with the scale of the challenge.

India must course-correct. E-truck allocations should be ring-fenced, timelines enforced, and procurement moved swiftly from intent to implementation, along with a larger allocation for e-trucks.

4. Legislate the Right to Charge

Charging infrastruece is key for EV uptake. Over 60% of urban Indians reside in multi-storey apartments or shared housing, where installing a private charger often involves navigating layers of Resident Welfare Association approvals, landlord permissions, and DISCOM processes. For the very segment that will drive early adoption, we need to make it as seamless as possible.

India must, therefore, legislate a framework like the Right to Charge. Any resident with a designated parking space should be permitted to install a charger, subject only to basic electrical and safety standards, without requiring discretionary approvals from RWAs. DISCOMs must be mandated to provide load augmentation and metered connections within defined service timelines. Building codes must ensure that all new developments are EV-ready, with pre-installed wiring and dedicated charging provisions. In cases where individual parking is unavailable, RWAs should be legally obligated to provide shared community charging infrastructure.

Several advanced economies, including the UK, the European Union, and multiple states in the United States, have already instituted such frameworks. The outcome has been clear. Reduced friction has translated directly into higher EV adoption.

5. Build Bharat Battery Ecosystem

Moving from oil to electric must not translate into a new strategic dependence on China or replicate existing vulnerabilities linked to West Asia. Today, China dominates global battery manufacturing, accounting for nearly 80% of cell production. Recent export restrictions have underscored the risks of relying on concentrated and geopolitically sensitive supply chains.

India's Production Linked Incentive scheme for Advanced Chemistry Cell manufacturing has fallen short of its stated ambition. Against a target of 50 GWh by 2025, only 1.4 GWh has been commissioned. The PLI approach requires a fundamental reset.

India must now build capabilities across the entire battery value chain, from critical mineral sourcing and refining to cell manufacturing, pack assembly, and recycling. Policy must prioritise credible manufacturers with demonstrated execution capacity, incentivise domestic research and development, and align timelines with the realities of industrial scale-up. Strategic partnerships with resource-rich regions such as Australia, Africa, Argentina, etc. will be essential to secure upstream supply chains and reduce long-term risk.

Make This Moment Count

Therefore, the five-point agenda, comprising 100% electrification of two- and three-wheelers by 2030, CAFE-3, electrification of buses and trucks, a Right to Charge, and a Bharat battery ecosystem, is not optional but what the country needs right now. These measures must move together.

Delivering transformational change at scale is not new to India. It has done so before: Jan Dhan Yojana, UPI, solar energy, vaccination, and the shift from Euro IV to Euro VI while bypassing Euro V, among others. What is needed now is a similar level of clarity and execution in the EV transition. Today's decisive action will shape supply chains, capital flows, and technological leadership for decades to come.

It is time for India to leapfrog. An integrated energy ecosystem, smart charging, and purpose-built vehicles can not only help achieve Atmanirbharata but also position India as a leader of the Global South.

The West Asia crisis is a reminder of India's energy vulnerability, and it must become a turning point. Electrification is central to India's energy security, green growth, and Viksit Bharat. India must move decisively, and now.

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