



Technical Analysis of FAME II

The **NITI Aayog** and the **Rocky Mountain Institute (RMI)** released a report on opportunities for the automobile sector and government under the [Faster Adoption and Manufacturing of Electric Vehicles II \(FAME II\) scheme](#).

- The technical report titled '**India's Electric Mobility Transformation: Progress to Date and Future Opportunities**', quantifies the direct oil and carbon savings and it also quantifies the catalytic effect that FAME II and **other measures could have on the overall [Electric Vehicle\(EV\) market](#)**.

Key Highlights

- If FAME II and [other measures are successful](#), India could realize EV sales penetration of 30% of private cars, 70% of commercial cars, 40% of buses and 80% of two and three-wheelers by 2030.
- Effects of FAME II will go beyond the vehicles that are eligible under the FAME II.
- There is **considerable energy and CO₂ savings** associated with the vehicles and buses covered by FAME II over their lifetime.
 - Vehicles eligible under FAME II scheme can cumulatively save 5.4 million tonnes of oil equivalent over their lifetime worth Rs 17.2 thousand crores.
- In order to capture the potential opportunity in 2030, **batteries must remain a key focal point** as the key cost driver of EVs.

Recommendations

- India needs auto industry's **active participation to ease electric mobility transition**. The auto and battery industries could collaborate to enhance customer awareness, promote domestic manufacturing, promote new business models, conduct R&D for EVs and components, consider new business models to promote EVs.
 - Government should focus on a phased manufacturing plan to promote EVs, **provide fiscal and non-fiscal incentives** for phased manufacturing of EVs and batteries.
 - Different government departments can consider a bouquet of potential policies, such as congestion pricing, low emission/exclusion zones, parking policies, etc. to drive adoption of EVs.

Way Forward

- India's electric vehicle market is poised for growth with a blend of policies, such as FAME II, and the automotive industry's willingness to provide new mobility solutions to the citizens of the country. Such a transformation will create enormous economic, social and environmental benefits for the citizens of India.

