Banning of Fossil Fuel-Driven Vehicles

Why in news?

Government of India has planned to ban the sale of fossil fuel-driven 2&3 wheeler vehicles by 2025.

What is the Government's plan?

- Government wants to **halt production** of internal combustion vehicle,
  1. Three-wheelers by **2023** and
  2. Two-wheelers with 150cc engines and below by **2025**.
- NITI Aayog has given a two-week deadline to the industry to come up with a comprehensive **plan** for introducing electric vehicles (EVs) in the next 5 years.

What is NITI Aayog's stance?

- **Pollution -** As per a report by Greenpeace and AirVisual, India has 22 of the most polluted cities in the world, with Gurugram being the most polluted.
- Two-thirds of the pollution load is due to internal combustion engine based two-wheelers running in major cities.
- This will be reduced with the transition.
- **Dependence –** India is hugely dependent on oil imports.
- The NITI Aayog estimates savings of Rs 1.2 trillion if the transition takes place.

How did the automobile industry react?

- Industry leaders have **questioned the urgency**.
- They also have pointed out the increase in the **cost of vehicles** due to the price of batteries which constitute 40% of the total cost.
- In addition, considerable **planning and execution** are required to simultaneously develop a complete ecosystem around EVs.
- They insist such a **short-notice switch is impossible** and it would destroy an industry that's a key global exporter.
- Additionally, the industry is already facing difficulties in **coping** with the transformation to meet the **BS-VI regulations**.
- In the unorganised sector, the vast pool of mechanics would also suddenly find their services aren't greatly needed.

- Only EV manufacturers are enthusiastic about the proposals.

What should be done?

- While a move to EVs is inevitable, the industry should be given a reasonable time.
- With the country facing mounting unemployment, managing the transition fallout will be all-important.
- **Chinese example -** China took the EV route as early as in the 1990s by **classifying** electric two-wheelers that move at 20 km/hour **as bicycles**.
- Beijing **made them attractive** by doing away with registration.
- They are allowed to be **ridden in bicycle lanes**.
- Soon, it **restricted the ownership of gasoline-powered two-wheelers** in some cities.
- It has been **giving tax benefits** and other subsidies to carmakers for almost a decade.
- To spruce up their supply chain, Chinese companies have been aggressively **buying lithium mines**, the critical component for making batteries.

Source: Business Line

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