India’s CAFE Norms for Small Cars

Prelims: Current events of National and International Importance

Why in news?

Recently, a study by Nomura (a research and consulting firm in Japan) recommended reforming India’s CAFE norms to relax emission targets for small cars.

- **CAFE Norms** – The **Corporate Average Fuel Efficiency (CAFE)** norms were introduced by the Bureau of Energy Efficiency (BEE) in **2017** to regulate fuel consumption and carbon emissions from passenger vehicles.
- It apply to vehicles that are under **3,500 kg**, including petrol, diesel, CNG, LPG, hybrid, and electric vehicles.
- **Current targets under CAFÉ –** As per the 2022-23 norms, automakers must ensure,
  - **Fuel consumption –** Not more than 4.78 litres per 100 km.
  - **CO_2 emissions –** Not more than 113 grams per km.
- These norms are designed to reduce oil imports, cut air pollution, and promote cleaner vehicles.

Nomura Study Highlights Bias Against Small Cars

- **Linear weight-based approach** – As the weight of a vehicle increases, the allowed CO_2 emissions target also increases, in a linear (straight-line) manner.
- The study states that India’s linear weight-based approach results in **stricter CO_2 targets only for lighter vehicles**.



- But in other hand heavier vehicles like SUVs get relaxed targets, even if they emit more CO_2.
- **Regulatory paradox –** Reducing a car's weight is a common way to cut emissions but in India, as a car gets lighter, its emission target becomes even stricter, making light weighting efforts counterproductive for small cars.
- But globally there is relaxed norms for smaller, lighter cars to encourage their use due to their environmental and socio-economic value.

Examples from Global Markets

- **USA & China –** Both follow a piecewise linear approach, where targets remain constant below a certain size/weight.
- **South Korea** – It offers constant targets and additional benefits (5–7g/km relaxation) for small car sales.
- **Japan** – It uses a non-linear approach, avoiding strict penalties for lightweight, small cars.

Reference

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