

India orders Uber and rival Ola to electrify 40% of fleets by 2026

India is doubling down on its push to replace gasoline and diesel vehicles on its streets with environmentally friendly electric cars. The government plans to order ride-hailing firms such as [Uber](#) and Ola, which operate hundreds of thousands of cars in the nation, to convert 40% of their fleets to electric by April 2026, [Reuters reported](#) today.

As part of the push, Uber, [Ola](#) and other companies would need to show signs of progress toward the goal by the end of next year, the report claimed. It stated that the ride-hailing giants must convert 2.5% of their fleet of cars by 2021, 5% by 2022 and 10% by 2023. A source familiar with the matter corroborated Reuters' findings to TechCrunch.

The move comes as New Delhi looks to cut reliance on oil imports and bring down air pollution to abide by its commitment as part of the 2015 Paris climate change treaty. In recent years, China has also ramped up similar efforts with even tougher EV sales targets matched with generous state-funded subsidies for consumers buying green vehicles.

India's challenge is tougher because electric vehicles still account for a tiny portion of all the cars that are sold. In the year that ended in March, only 3,600 electric vehicles were sold in the country, compared to 3.3 million diesel and gasoline cars.

At an event last year, [India's prime minister Narendra Modi urged](#) industrialists and global business leaders to work with the government on creating a "new mobility ecosystem" that is in "sync with nature." He added, "my vision for the future of mobility in India is based on 7Cs: common, connected, convenient, congestion-free, charged, clean, and cutting-edge."

India's electric push will spell new frustration for Uber, which is already struggling to fight back against Ola, its local rival and the market leader in ride-hailing space in the country. Ola, which is also backed by [SoftBank](#), has started working on electric vehicles.

It conducted a first of its kind trial in Nagpur three years ago and clocked millions of kilometers through electric vehicles. The company said last year

that [it aims to launch 10,000 three-wheeled electric vehicles in 12 months](#) and one million electric vehicles by 2021.

Uber, which recently attempted and failed to sell its food delivery business Uber Eats to local rivals Swiggy and Zomato, has appeared to dial down its focus on India since going public. The company currently has no programs around electric vehicles in India, other than a [limited pilot project it announced with electric scooter maker Yulu](#) last month.

Beyond testing, Ola has also committed hard capital to EVs. It [spun off its electric mobility unit](#) and raised \$58 million in initial capital from third-party investors. That sum increased in March when Ola [raised \\$300 million from Hyundai and Kia](#) to collaborate on building mobility solutions and electric vehicles.

Ola and Uber did not immediately respond to requests for comment on the Reuters report.