



CLIMATE
POLICY
INITIATIVE

Empowering MSMEs in India's EV Revolution

Roundtable Event

Date: Mar 3, 2025

Time: 12:30 PM to 4:30 PM

Mode: In-person only

Venue: [The Claridges](#), 12, Dr. APJ Abdul Kalam Rd, New Delhi 110011

About Climate Policy Initiative (CPI)

CPI is an analysis and advisory organization with deep expertise in finance and policy. Our mission is to help governments, businesses, and financial institutions drive economic growth while addressing climate change. CPI has seven offices around the world in Brazil, India, Indonesia, South Africa, the United Kingdom, and the United States.

Background

As the world's third-largest automotive market, India's automotive industry contributes approximately 7% of the national GDP and nearly half of the country's manufacturing GDP. Within this ecosystem, the auto component sector accounts for 2.3% of India's GDP, directly employing over 1.5 million people. Micro, Small & Medium Enterprises (MSMEs) make up 75–80% of all auto component manufacturers, driving self-reliance, global competitiveness, and employment while contributing 25–30% of the industry's turnover. With per-capita income on the rise and the working population growing, India is poised for a significant increase in vehicle numbers on the road, leading to higher GHG emissions. Consequently, electric vehicles (EVs) have become essential for meeting climate objectives, prompting the domestic automotive industry to develop a strong local manufacturing ecosystem and underlining the pivotal role of MSMEs in this shift. Through programs like the National Electric Mobility Mission Plan, PM E-DRIVE, and Production Linked Incentive for battery & components, the government is driving growth by boosting local EV manufacturing, competitiveness, and employment while meeting climate goals and enhancing self-reliance and GDP.

The transition to EVs poses challenges and opportunities for MSMEs and auto component manufacturers (ACMs). Many components used in internal combustion engine (ICE) vehicles may become obsolete, especially for firms heavily invested in ICE-based supply chains. At the same time, EV-related innovation and growth prospects are attracting major manufacturers investing in R&D and rolling out new EV models. Despite their longstanding contribution to the sector, MSMEs often encounter technological and financial barriers when adapting to EV component manufacturing. Achieving the vision of "Atmanirbhar Bharat" and establishing India as a global leader in the automotive industry will require addressing MSMEs' unique financing and investment needs and helping them overcome obstacles in securing adequate capital.

Objective

CPI is convening a roundtable to bring together industry leaders, policymakers, financiers, academia, and think tanks across the automotive sector. The primary goal is to gather insights into the evolving landscape of electric vehicle (EV) manufacturing, mainly focusing on micro, small, and



medium-sized auto component manufacturers (ACM MSMEs). Through this forum, participants will explore the opportunities and challenges MSMEs encounter when transitioning to EV component production. In addition, the roundtable will examine the importance of financing interventions and policy measures to support MSMEs in meeting growing EV market demands, thereby ensuring a sustainable and inclusive industry-wide transformation.

The agenda for the event is as follows:

PARTICULARS	TIME
Registration & Lunch	12:30-14:00
Opening remarks	14:00-14:10 (10 mins)
Context setting Presentation	14:10-14:30 (20 mins)
Theme 1: Current landscape of the EV transition and its impact on MSMEs in the ACM sector	
<ul style="list-style-type: none">Challenges for MSMEs in venturing into the EV component manufacturing industryOpportunities for growth and innovation for MSMEs	14:35-15:15 (40 mins)
Tea & coffee break	15:15-15:35 (20 mins)
Theme 2: Financing the EV transition: Interventions for building a supporting ecosystem to facilitate access to finance and investments for MSMEs	
<ul style="list-style-type: none">Existing and potential financing options, including schemes, private investments, etcChallenges MSMEs face in securing financeExisting EV policies and initiatives supporting MSMEsNeed for dedicated funding for MSMEs in EV transition	15:40-16:20 (40 mins)
Closing remarks	16:20-16:30 (10 mins)