

India

94%

of business leaders expect electrifying their operations would improve air quality

Transitioning business operations from fossil fuels to clean electricity can help alleviate poor air quality and, in doing so, contribute a boost to national economic output.

What Business Needs

Business executives want greater help via grants or subsidies to help offset the upfront costs of transitioning their operations to run fully on clean electricity.

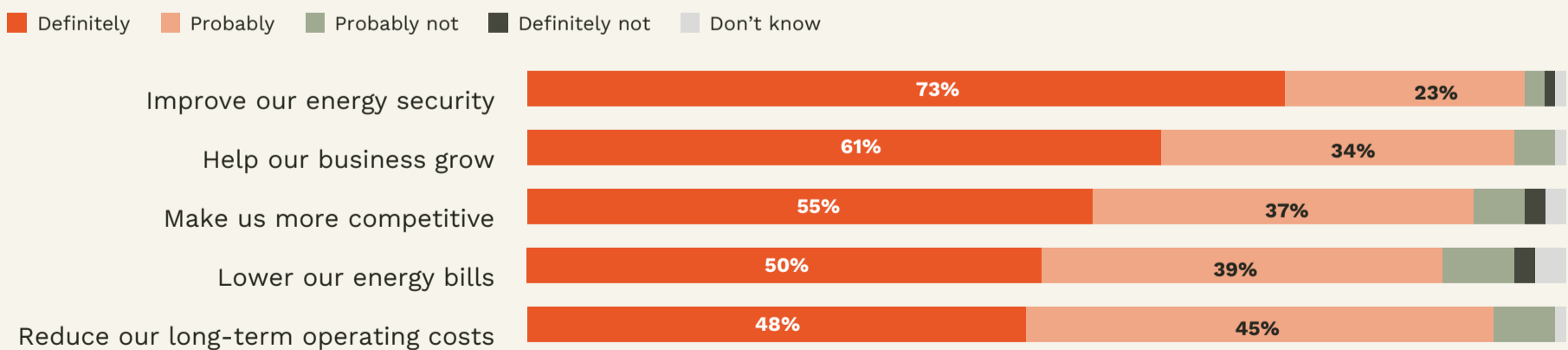
Policy Context

India's clean energy transition is marked by world-leading renewables targets, coupled with strong policy instruments and the rapid addition of new clean electricity capacity. In December 2025, non-fossil fuels reached 51.93% of the country's installed capacity, surpassing the 2030 goal of 50%.¹ One particularly pertinent factor driving India's efforts here is public health.

The world's most populous country is ranked the sixth worst country in the world for air pollution, a problem closely linked to thermal power plants and combustion-engine vehicles.² Annually, over two million people die prematurely as a result,³ which, in addition to the human cost, results in major losses in economic output.⁴

The private sector is quick to see the benefits that electrification can bring to the issue. From a list of positive national outcomes from electrification, for instance, more executives (41%) cite air quality than any other option.

Indian executives expect electrification to boost business growth and energy security



Thinking about your business switching from fossil fuel-powered equipment to electric alternatives, to what extent do you think this would do the following?

¹ <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2240737®=3&lang=2>
² <https://www.iqair.com/world-most-polluted-countries>

³ <https://www.bmj.com/content/383/bmj-2023-077784>
⁴ [https://www.thelancet.com/journals/lanplh/article/PIIS2542-5196\(22\)00090-0/fulltext](https://www.thelancet.com/journals/lanplh/article/PIIS2542-5196(22)00090-0/fulltext)

Business Viewpoints

The same is true at a firm level, with most business leaders agreeing that electrifying their operations would help improve local air quality (94%) and bolster public health (91%).

Another issue gaining prominence on India's energy policy agenda is energy security, which 96% of senior executives think will be strengthened as a consequence of electrification. This reflects the passthrough effects of recent geopolitical tensions, particularly in West Asia. Over one third (37%) of India's final energy use derives from imported fossil fuels, a substantial proportion of which (90% in the case of crude oil, for instance) originates from the Middle East.

The conflict-driven restriction on shipping through the Strait of Hormuz has therefore had substantive reverberations for the Indian economy, including soaring energy and fertilizer costs, logistical bottlenecks and pressures on foreign exchange. This has resulted in productivity losses and even temporary shutdowns in various key industries,⁵ prompting increased business appetite for the price stability and energy sovereignty that come from electrification—a policy objective that 86% of business leaders now say is more urgent.

Businesses welcome the boost that the government's energy transition plan could give to the domestic manufacture of renewable energy equipment, electric vehicles, batteries and other low-carbon solutions. This contribution to the country's economic competitiveness is reflected at a company level, with 92% of senior executives anticipating that the electrification of their operations would make them more competitive. Hence, most business leaders are enthusiastic about electrifying their operations, which 80% and 96% expect to have completed by 2030 and 2035, respectively.

Offsetting this enthusiasm is a sense that government policies are lagging behind what businesses need; a view echoed by over two-thirds (69%) of executives. Of particular concern is the high upfront cost of equipment, which, along with other market barriers, have caused 60% of companies to delay or shelve an electrification project. This explains why, from a list of possible policy interventions, the provision of more grants or subsidies to help reduce upfront equipment costs is cited most often (50%). Coming in a close second is a desire for long-term policy planning (43%) tied to technology moratoriums—the highest level of preference expressed among all countries polled. These policy preferences echo a general wish voiced among business leaders for a wider reform of the power market in India so that affordable clean electricity is easier to procure and access.

⁵ <https://www.fortuneindia.com/opinion/escalating-logistics-costs-and-production-risks-industry-concerns-from-the-middle-east-crisis/131608>