



The Road to 2025: Key Trends Powering the Future of Electric Mobility

The future of mobility is powered by innovations in alternative energy and flexible financing, shaping a sustainable transportation landscape by 2025, writes **Sumeru Shah**, *Business Head - Electric Vehicles at Ecofy*.

The future of mobility and mass transportation will gradually shift to alternative energy sources to power vehicles. The pace of growth for these energy sources will be determined by their adoption and economies of scale. Research and development in this area are expected to gain significant momentum in 2025 with the following:

Mobility Technologies

Electric Vehicles

Electric vehicles, powered by lithium-ion batteries, are currently leading the growth in mobility technologies. These vehicles have gained significant traction over the past few years, driven by government subsidies and regulations aimed at making them more affordable and safer. Numerous startups have emerged, accelerating the pace of research and development. These startups are introducing new technologies, addressing customer concerns about battery range, and enhancing the adoption and usage of electric vehicles across various product

segments.

New research is also focused on developing lithium-sodium batteries, which promise increased energy storage capacity, leading to longer usage times and fewer charging cycles. Another emerging battery technology, lithium-titanium, is also gaining attention. However, achieving economies of scale for this technology will require a longer gestation period. These advancements in electric vehicle technology are expected to become more refined and widely understood in 2025.

Hydrogen

Hydrogen is another promising alternative fuel category undergoing extensive research and development. While pilot testing is underway, full-scale commercial operations for hydrogen as a fuel source are yet to commence. 2025 is anticipated to mark the beginning of commercial operations, supported by government initiatives to promote its use in mass transportation systems, such as trains. Financial support through subsidies, similar to those provided for electric

vehicles, is expected to play a crucial role in advancing hydrogen fuel technology.

Financing Trends for Future Mobility

Emerging trends in financing for mobility in 2025, in addition to traditional EMI-based options, include:

Leasing

Leasing, also referred to as rentals or monthly subscriptions, allows customers to use vehicles on a daily, weekly, or monthly basis by paying a rental fee to the vehicle owner. This trend is expected to grow rapidly, particularly within the quick commerce industry, where gig workers rely on leased vehicles for deliveries.

Battery as a Service (BaaS)

BaaS separates the battery from the vehicle chassis in terms of financing. The battery is offered on a subscription model, with costs based on the distance traveled (e.g., kilometers). This model reduces the upfront cost of the vehicle, making it more affordable for customers. The price of the battery is spread over a subscription cycle, aligned with usage. This financing trend is expected to gain momentum in 2025.

Conclusion

Advancements in alternative fuels and innovative financing models will significantly contribute to the growth of the mobility and transportation industry in 2025. ■

Disclaimer:

The views expressed by the author are his own and do not necessarily reflect the views of FMM magazine.

