

# Bajaj Auto to drive in world's 1st CNG bike next quarter

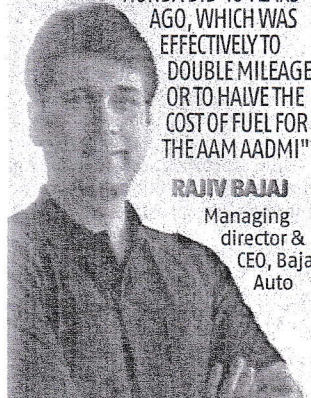
SOHINI DAS  
Mumbai, 5 March

Bajaj Auto is poised to launch the world's first compressed natural gas (CNG)-powered motorcycle in the next quarter, revealed the firm's Managing Director Rajiv Bajaj on Monday. This announcement precedes the previously anticipated 2025 launch.

"The motivation is twofold. One is from the environmental perspective because now, we are well into testing, and we can observe that, compared to a gasoline motorcycle, carbon dioxide is down by almost 50 per cent, carbon monoxide is down by 75 per cent, and non-methane hydrocarbons are down by 90 per cent. So, this is a motorcycle that's potentially great for the environment," Bajaj said in an interview with *CNBC-TV18*.

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**RAJIV BAJAJ**  
Managing  
director &  
CEO, Bajaj  
Auto

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lysts said. "This is a smaller index and expected to generate inflows of \$2-3 billion to India. The period of inclusion has been increased to 10 months from the earlier proposal of five months," said Gaura Sen Gupta, economist with IDFC First Bank. Once completely phased into the "Bloomberg Emerging Market 10 per cent Country Capped Index", India will be expected to join China and South Korea as markets that reach the 10 per cent cap. Within the market cap weighted version of the index, India is expected to be the largest country after China and South Korea.

The data as of January 31, 2024, shows the index would include 34 Indian securities and represent 7.26 per cent of a \$6.18 trillion index on a market value-weighted basis. "This is an important marker in the development of India's financial markets and a reflection of India's growing importance to the global economy," said Michael R Bloomberg, founder, Bloomberg LP.

## Bajaj Auto...

He further said: "But equally, it promises to do what Hero Honda did 40 years ago, which was effectively to double mileage or to halve the cost of fuel for the aam aadmi, which, I think, has a fantastic impact on the wallets of those consumers"

Bajaj Auto is now confident about launching the bike within the next quarter. Bajaj could not be reached for an immediate comment.

"And then from there to expand is easy, but as you can imagine, it's been the same with electric vehicles; you have to get the technology right, you have to get the dealer piece and the service right, the service quality right, and of course, irrespective of how much we anticipate and prepare for, there is always some surprise from a consumer experience point of view," he added.

In a recent interview, Bajaj

Auto Executive Director Rakesh Sharma said that the company feels CNG is a great option for the country, for society, and the riders. Sharma also indicated that it will not only be one vehicle but a range of vehicles across segments — a portfolio of CNG motorcycles.

In January, Sharma indicated that the timeline for launch would be 2024-25.

Bajaj Auto plans to position this offering to target mileage-conscious consumers, and the CNG bike is likely to be launched under a different brand. While the CNG bike is expected to be priced at a pre-

mium over petrol counterparts, Bajaj's CNG bike is likely to be in the 110cc category, targeting the value-conscious customer. The entry-level segment of motorbikes has been witnessing slow growth as such, despite commanding around 50 per cent of the market. Industry insiders feel that if the duty on CNG bikes is kept at 5 per cent or 12 per cent, there would be better offtake of this new category of bikes because CNG as a fuel is easily available. By the end of 2024, around 8,000 CNG filling stations are expected.

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