

Tesla India entry talks: Goyal, Musk to meet in US next week

REUTERS

New Delhi, 8 November

Commerce and Industry Minister Piyush Goyal will meet Tesla chief Elon Musk in the United States next week as the two sides look to advance the US carmaker's plan to enter the South Asian market, sources familiar with the plans said.

The meeting between Goyal and Musk will be the most high-profile

one since the Tesla boss met Prime Minister Narendra Modi in June and later said he was keen to make significant investments in the country.

Discussions between Musk and Goyal in the US will centre around Tesla's plans to set up an Indian factory, manufacturing a \$24,000 car there, sourcing more components, and establishing charging infrastruc-

ture across the nation, one of the two sources told *Reuters*.

A discussion is also likely on a new policy India is working on which will allow automakers to import fully built EVs into India at a reduced tax rate of 15 per cent, down from as much as 100 per cent now, if they commit to some local manufacturing.

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for the West Container Terminal will expand its shipping capacity, creating greater prosperity for Sri Lanka – without adding to sovereign debt – while at the same time strengthening the position of our allies across the region,” said Scott Nathan, CEO.

According to Neelam Deo, a former diplomat, the investment needs to be seen in the context of China’s investment in Sri Lanka, where the country has been given Hambantota Port on a 99-year lease by the island nation, along with several other infrastructure projects. “The message this sends to countries like Sri Lanka is that they have alternatives to the inflow of Chinese money. The investment will allow Sri Lanka to achieve a balance, at least partially,” Deo told *Business Standard*.

Tesla...

This meeting is to ensure that talks between India and Tesla

“are moving in the right direction”, the person added.

The commerce ministry and Tesla did not respond to requests for comment.

Tesla and India have been in talks for several months with the US carmaker open to setting up a factory but also keen to get lower import taxes for some of its high-end vehicles.

Modi’s office held a meeting with various ministries on Monday to expedite the new EV policy, said a third source.

The third person added the government is also analysing the impact the new policy could have on the Indian EV market, as local carmakers have often said lower EV import taxes could disrupt the market and hurt their plans.

Tesla first tried to enter India in 2021, pushing officials to lower the 100 per cent import tax for EVs, but last year the talks collapsed when officials conveyed the company would have to first commit to local manufacturing.