

MARUTI SUZUKI INDIA CHAIRMAN BATS FOR FTAS

UK trade pact won't impact Indian auto sector: Bhargava

SWARAJ BAGGONKAR
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INDIA DOES NOT make cars that risk getting adversely impacted if the deal for lowered import duties fructifies with the UK, RC Bhargava, chairman, Maruti Suzuki, said.

India and the UK are negotiating a trade deal wherein fully-built electric cars made in the UK can enjoy a much lower import duty than at present.

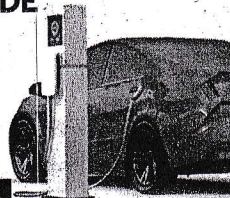
"I have been in favour of reduction in trade barriers therefore I am in favour of the free trade agreement, and also because I believe India has the capability of being more competitive than almost anybody in the world," Bhargava said to *FE*.

Bhargava clarified that the views expressed are his own and do not represent that of Maruti Suzuki or the automotive industry.

The Society of India Automobile Manufacturers (SIAM), the industry's apex lobby body, has historically opposed any FTA with competing countries that do not

INDIA'S COMPETITIVENESS IN FACE OF TRADE

India and the UK are negotiating a trade deal for lowered import duties on UK-made electric cars

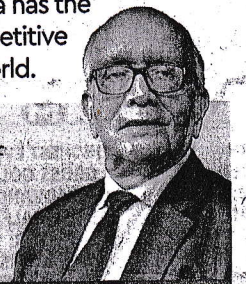


The industry body SIAM has historically opposed FTAs that don't benefit the Indian market

India is considering a 30% concessional tariff on high-priced UK electric car imports

RC BHARGAVA, CHAIRMAN, MARUTI SUZUKI

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benefit the local market.

SIAM president Vinod Aggarwal did not respond to messages seeking the body's response to the proposed FTA.

"I don't believe we should always get on the thesis that we can't compete. If we think we cannot compete with products built in the UK then something is wrong with us. We have enough labour, raw material, technology

and capability," Bhargava added.

A *Bloomberg* report on Wednesday quoting unnamed people said that India is considering a concessional tariff of 30% on 2,500 electric vehicles imported annually from the UK priced above \$80,000. India currently levies taxes between 70% and 100% on cars imported as completely built units, depending on their value.

While a full-scale manufactur-

ing of EVs at the above-mentioned price is yet to begin in India, some brands like Mercedes-Benz and Volvo, assemble some models within the country. BMW is also considering assembling its EV range in India.

"If we have FTA there will be a greater probability of some of the hindrances to the growth of competitiveness coming down in India," Bhargava added.