

# 'Volvo Cars not worried about high taxes in India'

**UPBEAT.** Sales to rebound to pre-Covid level this year: APAC Head

**S Ronendra Singh**  
New Delhi

Swedish luxury car maker Volvo Cars on Tuesday said that higher taxes in India actually work fine for them and give better competitive position, adding that the company expects its sales to come back to pre-Covid levels when it sold around 2,600 units in 2018.

The company sold 1,800 vehicles in 2022 calendar year compared with 1,700 cars in 2021. "It (tax) works to our advantage with full production and completely knocked-down (CKD) production. I think that gives the better competitive position in the market than we had previously. So, I am not concerned...to be honest, I never lose sleep on taxation because it's like death and taxes are always with us, so we just have to tackle them and make the best out of them...we are on pretty good place when it comes to it here (in India)," Nick Connor, Head of Volvo Cars in Asia Pacific, said.

CKD containing engine or gearbox or transmission mechanism in pre-assembled form but not mounted on a chassis or a body assembly (passenger vehicles) attracts



**EARLY SWITCH.** Volvo plans to go fully electric in India by 2025, much ahead of its global target of becoming a fully electric car company by 2030

a custom duty of 30 per cent in imports. In the recent Budget, the government increased the customs duty to 70 per cent (+Nil SWS) from 60 per cent (+6 SWS) earlier on imported vehicles in completely built unit (CBU) form, other than with cost, insurance, and freight (CIF) more than \$40,000 or with engine capacity more than 3,000cc for petrol-run vehicle and more than 2,500cc for diesel-run vehicles.

For electric vehicles (EVs) import also the duty has been increased to 70 (+Nil SWS) per cent from 60 per cent (+6 SWS) in CBU form, other than with CIF value more than \$40,000.

## EV PLANS

Connor said that Volvo could go fully electric in India by

around 2025, much ahead of its global target of becoming a full electric car company by 2030. It will launch the electric version of its SUV/ coupe C40 in the fourth quarter of this year, which will be assembled here and will keep launching an EV every year in the country going forward.

"I think we will accelerate...we can't do it this year, maybe in 2025. We said we will be 50 per cent electric (globally) by then, we could say well in India, we're going to be 100 per cent electric. We have already said in Australia, for example, that by 2026, we're going to be 100 per cent electric," he said.

Currently, Volvo Cars sells electric XC40 Recharge, SUVs XC90, XC60 and XC40 along with the sedan S90 in India.