

CARMAKERS BACK ZERO DUTY ON LIMITED UK IMPORTS

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Indian carmakers have agreed to eliminate import tax on a limited number of vehicles in a trade deal with Britain "if the need arises", according to a document seen by *Reuters*, offering better access to the world's third-largest automobile market. India currently levies 70 per cent and 100 per cent tax on car imports which will be reduced in a phased manner to 10 per cent by year five but only for a maximum of

46,200 vehicles, according to a proposal made by the country's leading auto lobby group to the government. "As a fall back, 0 per cent would also be acceptable, if the need arises during the negotiations," the Society of Indian Automobile Manufacturers (SIAM) said in a submission to the commerce ministry which was seen by *Reuters*. Outside of this limited quota, SIAM has proposed reducing the import tax on cars to 30 per cent over a 10-year period, a move *Reuters* has previously reported. SIAM is now also willing to explore more

cuts after the fifth year depending on how the overall import volume from Britain grows, it said. SIAM, which groups car makers from India's top-seller Maruti Suzuki, to majors such as Tata Motors and Mahindra & Mahindra, and the commerce ministry did not respond to a request for comment. India is one of the most protected automobile markets. "The number of units that will benefit from this quota should also be seen in the context of the Indian market size," said an industry source aware of the proposal. **REUTERS**