

Green mobility drives Toyota's India plans

With 10 pure electric cars planned by 2026 in its global portfolio, the world's largest carmaker hopes to move beyond SUVs in the country

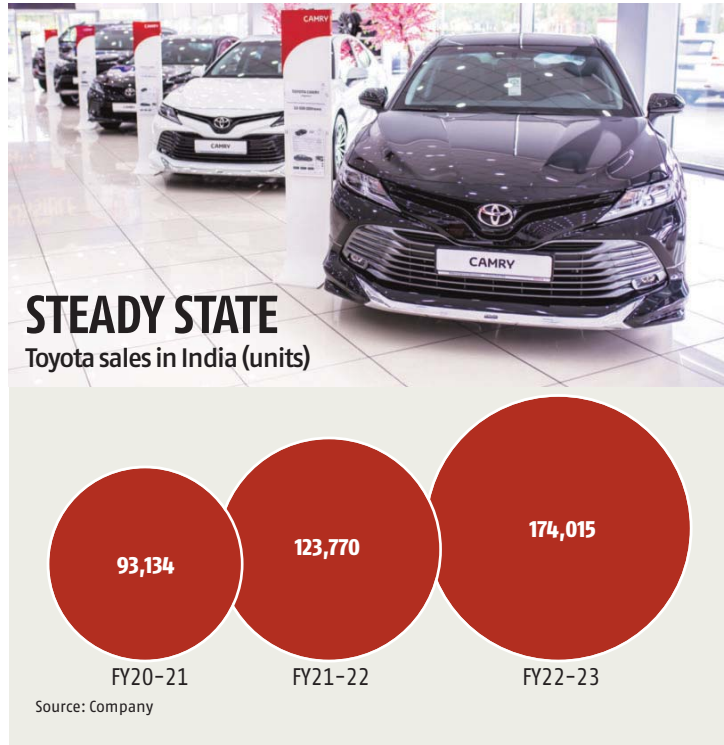
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Given that Toyota Motor Corporation has been the world's largest car-maker by volume for the past three years consecutively, it's no surprise that the company was also one of the first to launch hybrid and electric cars such as the Toyota Prius (1997) and the Camry Hybrid (2013), both of which are currently sold in India. In that context, while the company has sold over 21 million electrified vehicles worldwide, of which most are hybrids, Toyota Kirloskar Motor, the company's India subsidiary, is focused on clear products, greener technologies and cars that target segment domination, its leadership said.

"We aim to achieve zero carbon from vehicles, from manufacturing by 2035 and the life cycle by 2050," said Vikram Gulati, country head at Toyota Kirloskar Motor, adding, "So it means taking ownership and responsibility for a wider gamut beyond the vehicle, beyond the manufacturing gates to include the supply chain, the dealerships and the value chain." The other three areas include for example, minimising the use of water, recycling, and promoting recycling, including within Toyota's operations.

Will India be an all-electric or a hybrid market for Toyota?

Gulati said the auto-major, having created the entire ecosystem and capability for the electric powertrain parts, is now looking at "providing technologies in all markets that best meet the local infrastructure readiness, local manufacturing ecosystem, local skill sets, matching with that, as well as the consumer acceptance. So there are a whole lot of technologies in basket and each market is going to



be very unique."

The two core objectives for Toyota in India are to "produce ever better cars" and "provide mobility to all". In the past 25 years, Toyota first burnished its reputation on the Qualis, a rugged SUV that seems to go on and on with a low cost of ownership and maintenance. "After the success of the Qualis, the Innova has been the legacy product for Toyota and commands complete leadership in the segment," Gulati said. It's also gotten much more expensive having once cost some ₹12 lakh and now retailing for about ₹26 lakh.

The Fortuner has been another

popular product, and Gulati said the mid-size SUV Hyryder, and the hybrid Hycross, which is the newer avatar of the Innova, both launched in 2022, are expected to deliver similar results.

Even so despite its global leadership (it sold over 10 million cars worldwide last year) Toyota does not appear to be accelerating its operations in India. "Toyota in India has largely remained a small player as its small and economical cars (Etios and Liva) failed to command the kind of market share that was expected. But the Innova and the Fortuner remained its mainstays, leaving almost no space for competition in

the segment," said automotive analyst Suraj Ghosh, adding, "After so many years in the market, these models still lead the segments, despite some carmakers trying to get in and which include products such as MG's Gloster and the Kia Carnival."

Meanwhile, the Toyota-Suzuki alliance has emerged as a main pillar for Toyota's future product roadmap, especially for smaller vehicles, Ghosh pointed out. The alliance will build on Toyota's expertise in SUVs and alternate fuel technologies and Suzuki's expertise in smaller cars. That becomes especially relevant given that the regulators are looking at clean fuel.

"Today in the four-wheeler market, about 16 per cent is diesel for new vehicles sold. The rest is either petrol or CNG and 1 to 1.5 per cent is electric," Gulati explained.

The second data point Gulati points to is that following the introduction of BS VI emissions norms, all fossil fuels — whether CNG, petrol or diesel — are equal in terms of their emissions of PM 2.5. So, there's fuel neutrality. "The third point is in order to achieve this neutrality and bring down the sulphur content, and as a result, PM 2.5, the entire ecosystem of oil marketing companies had invested over ₹1.5 trillion a couple of years ago. They altered their refining to make sure that the sulphur content went down, well below the earlier 50 parts per million to much lower levels."

Will Toyota subscribe to the Niti Aayog target of 30 per cent of EVs on the road by 2030? "Today the market is around 3.8 million cars for new vehicles sold. By 2030, the market is going to be around eight to nine million new vehicles sold. The larger number of vehicles are being added as we speak not only from today onwards, but from the past, and they are going to be there for 15 years, which is their regulated life," he said.

By 2030, if over 70 per cent of the cars, which is say is 6.3 million, are going to be non-BEV (battery-electric)

hybrids, ICE (the traditional internal combustion engine) and CNG, then fossil fuel consumption and emissions are definitely going to jump up, which makes it even more challenging for an automaker to balance powertrain technology.

Currently, Toyota sells the Innova Hycross, which comes in the hybrid and the petrol powertrain, the Innova Crysta, which comes in diesel, the Fortuner in diesel as well as the Legender, along with the hybrid electric Vellfire. The hybrid electric Camry is assembled in India. Other smaller cars include the Glanza (petrol and CNG) and the Urban

Cruiser Hyryder (petrol and CNG), the Innova Hycross and the Hilux. The latter is imported as a semi-knocked-down car and assembled here; the others are made in India.

That's why Toyota has only one car that is small. "Today 75 per cent of the market is small cars with prices that are less than ₹10 lakh but going forward that market is likely to shift to bigger cars and higher price points," Gulati noted.

Globally, by 2026 or so, Toyota will have 10 pure electric cars. "By 2030, what we are targeting is perhaps 35 per cent of our entire sales to be electric in the

Toyota stable, which means roughly close to 3.5 million new vehicle car sales, which is significant. And of course, if you look at the entire portfolio of electrified cars, 5.5 million are going to be strong hybrids, plugins and hydrogen and 3.5 is roughly going to be the BEV share, globally speaking, that's the kind of mix that we've announced," Gulati said.

Clearly for India, which Toyota says is an important growth market, the key will be ramping up sales of electric cars as and when they land here. "We are very optimistic about the growth here, both for the industry and particularly about Toyota. We're eagerly looking forward to getting a bigger share and we'll be working towards it," Gulati said.



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VIKRAM GULATI
Country head, Toyota Motor Kirloskar