SUV makers flip stance, seek softer CAFE-3 norms

NITIN KUMAR
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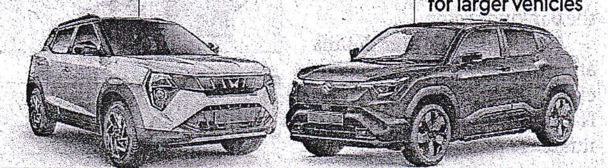
SEEKING RELAXATIONS

- SUV makers resist relief for small cars as India moves on fuel-efficiency norms
- Society of Indian Automobile Manufacturers urges the government to ease targets
- Maruti Suzuki says SUVs have more headroom via weight cuts
- Mahindra & Mahindra seeks around 6 g/km relaxation
- Tata Motors backs softer rules for larger vehicles



MAKERS OF SPORTS utility vehicles (SUVs) are looking for more lenient emission limits in the third phase of Corporate Average Fuel Efficiency (CAFE-3) norms. These manufacturers were earlier opposing relief for small cars.

At a meeting with the Ministry of Heavy Industries on February 10, the Society of Indian Automobile Manufacturers (SIAM) urged the government to ease the proposed targets.

Mahindra & Mahindra (M&M) is understood to have sought a relaxation of around 6 g/km. This would raise the threshold to approximately 98.53 g/km—as per estimates-, easing compliance pressures. The company is learnt to have indicated that the proposed targets would be difficult to meet given its portfolio mix— nearly 75% of the sales are derived from diesel vehicles—and that it may face penalties. Queries sent to M&M and SIAM did not elicit a response till press time. SUV makers had earlier opposed the 3 g/km relaxation for small cars under the existing framework, arguing that the industry should move towards stricter standards without segment-specific concessions. Electrification in the SUV segment remains gradual due to higher battery costs.

Maruti Suzuki is understood to have reiterated its earlier stand that SUV manufacturers have greater headroom to meet targets through weight reduction and technological upgrades. Small cars, it argued, are already optimised for fuel efficiency and have limited scope for further gains. Maruti has also argued that major global markets—including the European Union, the US, China, Korea and Japan —provide differentiated treatment or protection for small cars under their fuel efficiency regimes. Tata Motors is learnt to have supported a softer framework for larger vehicles as the company is keen to maximise benefits from emission credits under CAFE-3. The framework provides "super credits" for electric vehicles, under which one EV is counted as three vehicles for fleet emission calculations, lowering average emissions on paper.