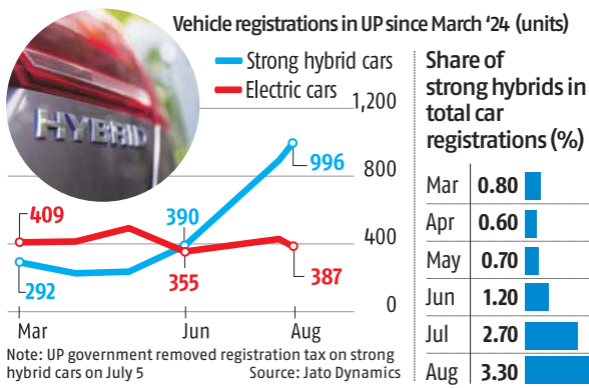


# Strong hybrid car sales take off in UP after tax waiver

E-car sales remain on flat trajectory

## STRONG HYBRIDS SHIFT GEAR



DEEPAK PATEL

New Delhi, 19 September

Monthly sales of strong hybrid cars in Uttar Pradesh have more than doubled following the state government's decision to scrap the registration tax on such vehicles from July 5. Electric car sales in the state, in contrast, have stayed largely flat.

According to data from Jato Dynamics, monthly electric car sales in UP were 413, 496, 355, 430, and 387 units between April and August. But strong hybrid car sales jumped from 228, 239, and 390 units in April, May, and June to 895 in July and 996 in August. Turn to Page 10 ▶

## AUTOMAKERS REACT:

### ▶ Strong hybrid

**Maruti:** Customers in UP have responded positively

**HCIL:** The decision to waive registration tax has significantly boosted their (strong hybrids') affordability

### ▶ Electric

**Tata Motors:** Supporting non-zero emission tech does not help in fulfilling (national) objectives

**Kia India:** Continuous support for hybrids may slow down EV adoption

▶ GOVT ISSUES REVISED NORMS FOR EV CHARGING INFRA

# Avg price cargo-worthy container up in Sep

The meeting, chaired by Goyal, was attended by officials from shipping, railways, civil aviation, finance and commerce & industry.

“One of the major issues that was pointed out was that foreign shipping lines are not giving us slots. So one problem we have been facing is the lack of Indian container lines. Now SCI has started this ship and we will operate it regularly. Every three-four days we will be able to use it. SCI will purchase containers on a regular basis, then the stock of containers available with SCI will increase and therefore handling capacity will also increase,” Ports, Shipping and Waterways Secretary TK Ramachandran told reporters.

The next meeting, scheduled for October, will review and assess the impact of the latest decisions. Industry officials expect these decisions to show results in two to three months. Thursday’s top level meeting comes within days of the commerce ministry data showing 9.3 per cent contraction of merchandise exports in August. Earlier, the fresh attacks by Houthi rebels at the Red Sea resulted in diversion of ships to longer routes. The impending tariff hikes by the US on a host of Chinese products have also caused front-loading of shipments by China, adding to the container shortage for other countries.

The average price of a cargo-worthy 20 ft container in

India rose to \$1,113 in September from \$1,010 in August, according to Container XChange, an online container leasing platform. While average prices for 40 ft high cube cargo-worthy containers ranged between \$1200-\$1500 across major Indian ports like Mundra, Nhava Sheva, and Chennai in the June quarter, these prices have surged to an average of \$2000 - \$2600 in August, reflecting sustained demand and capacity constraints.

Aniket Dani, Director – Research at CRISIL Market Intelligence and Analytics, explained that there’s a global shortage of containers, mainly due to the logistical inefficiencies like port congestion in South-East Asia and Red Sea disruption.

“Consequently, freighters must take a detour and opt for a longer route around the Cape of Good Hope. This detour has increased not only the shipping costs but also delivery time, further exacerbating the challenges,” Dani said.

Addition of new vessels may reduce time for exports and raise the container capacity by 10-12 per cent. Currently, India’s container capacity is 40,000-45,000 TEU.

Officials from the Railway Board and CONCOR said that empty containers can now be stored at the yard at zero cost for 90 days. The charges of Rs 3,000, that is being levied beyond 90 days, are now

halved to ₹1,500. Further, the storage and handling rates will be reduced for containers from ₹9,000 to ₹2,000 (for a 40 ft container) and from ₹6,000 to ₹1,000 (for a 20 ft container). That apart, shipping lines assured that all charges such as container transportation and lift-on-lift-off at yards would be embedded in the delivery order given to shippers.

Goyal said that he expects shipping and transportation costs for Indian exports to fall over the next few months. Prominent ports such as Adani-owned Mundra Port have been experiencing major backlogs, sector watchers say.

Ajay Sahai, director general and chief executive officer at the Federation of Indian Export Organisations (FIEO), however, said that there is no shortage of containers per se, but a specific variety of container may be in short supply.

“The real problem is lack of space on the ship because of which there’s a perception of container shortage...because once the shipping line allocates space, they can allocate containers,” Sahai said.

According to Delhi-based think tank GTRI, India can lower its risk of global supply chain disruptions by boosting domestic container production, encouraging the use of locally made containers, and increasing the use of Indian shipping companies for transporting goods.

