

VW to revisit India amid geopolitical concerns

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Europe's largest carmaker is taking a closer look at India — again.

Volkswagen AG wants to remain a strong player in Europe and China, but in the face of growing geopolitical tensions and an increasingly complex regulatory environment, the German carmaker is looking beyond the US for markets with growth potential, Chief Financial Officer Arno Antlitz said.

“We’re turning our attention to India to be more robustly positioned in this new world,” Antlitz said in an interview with *Porsche Consulting Magazin*. “India has enormous growth potential in my view.”

The effort will mark yet another attempt by the company to break into the Indian market in a significant way. The carmaker's earlier efforts to boost its presence in India have often been bruising experiences. An alliance with Suzuki Motor ended in a fierce legal dispute before a single car was built and talks over teaming up with Jaguar-maker Tata Motors didn't go anywhere.

Volkswagen rose 0.7 per cent at 11.11 am in Frankfurt trading, taking gains this year to 13 per cent. But as US-China tensions mount and the Asian giant's seeming support of Russia after its invasion of Ukraine raises hackles, India's large potential market is once again drawing the company's attention.

India's population surpassed China's at the end of last year, and with half of that population under the age of 30, it has potential to become the world's fastest-growing major economy in coming years.

Public adoption of electric passenger transport has been slow in India, with high upfront production costs deterring manufacturers and a dearth of charging infrastructure deterring consumers. But demand for low-cost battery-powered SUVs is growing, and homegrown carmakers are now finding themselves competing with Chinese and South Korean manufacturers for market share.

Volkswagen said in August it was moving forward with a component supply deal for five new electric sport utility vehicles from India's Mahindra & Mahindra, adding that it wanted to explore ways of working together to electrify the Indian market more quickly.

Antlitz said it remained unclear how the global economy would develop under the continued pressure of supply chain bottlenecks, which limits the number of cars that can be manufactured and sold. Given the possibilities of a worsening economy and shrinking demand, Volkswagen is keen to avoid price discounts in coming months.

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