

MG-JSW JV may go live in a few weeks

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MG Motor India, currently wholly owned by Chinese car maker SAIC Motor, expects to close its joint venture (JV) with the JSW group within a few weeks and projects that electric passenger car penetration in India will hit 7-8 per cent in 2026, which is likely to be the tipping point for the segment.

Speaking on the company's strategy, Rajeev Chaba, CEO emeritus, MG Motor India, says: "We are expecting that the JV with JSW (in which the latter will have 30 per cent stake) will close in a few weeks, after which, we will finalise and announce the plans for expansion and also investment. Our belief is that the tipping point for the electric passenger vehicle industry is at 7-8 per cent (penetration) which should be reached by 2026. In CY24, we expect penetration to be at 4 per cent, up from 2.5 per cent in CY23."

Chaba agrees that there will be a gestation period for the expansion and introduction of new models. "In the interim, we are planning to launch two new models in 2024, one of which will be an electric vehicle," he says.

He also points out that the sharp drop in prices of the EVs like its Comet (by ₹99,000) has led to a 70 per cent increase in bookings in February. The increase in the bookings of internal combustion engine (ICE) models like Hector, Astor and Gloster has been 40 per cent.

He adds that he expects to see the share of EVs in its total sales going up from 25 per cent in CY23 to 30 per cent in CY24.

Comet, which is the cheapest electric car in the country, is expected to push MG's volumes. The company expects that 50 per cent of its EV sales will come from this model in CY24, up from 30 per cent in CY23.

"We were looking for the right price-to-value equation for the Comet and with the price cut, I think we got that," Chaba says. However, he points out that the prices of all the cars could go up if freight prices do not go down.



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■ Chaba revealed bookings for EVs like Comet and ZS are up 70% in February, days after a price cut

ROUTE MAP

■ MG Motor India will launch two car models, including one EV, in CY24

■ Not ruling out hybrid vehicles

■ Expects to grow 2% in CY24

■ Projects penetration of electric cars in India to hit 4% in current calendar year

Asked if MG will introduce hybrid models, Chaba says that nothing is ruled out at this point. He adds that the JV will be able to draw not only from the globally available MG models, but also SAIC's models from other brands which it owns, including Maxus, IM and Wuling.

Elaborating on MG's overall target for CY24, Chaba says that the company has been growing at a higher rate than the overall passenger vehicle

market in India. "In CY23 while the overall market grew by 8 to 9 per cent, we grew by 18 per cent. In 2024 while the market is expected to grow by 5-6 per cent we expect to grow by 25 per cent."

However, Chaba concedes that unlike Tata Motors, it does not have a wide range of models. "We were not able to finalise the expansion and the investment as we were looking for a JV partner," he says.