

# Automakers clash over CAFE norms at Siam meet

## A CEO council meeting is likely to be called to resolve differences

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Automakers have clashed over exemption demands under the upcoming Corporate Average Fuel Efficiency (CAFE) norms at an internal meeting of the Society of Indian Automobile Manufacturers (Siam) on Friday.

In the wake of this, a CEO council meeting is likely to be called soon to resolve differences on relief sought for light commercial vehicles (LCVs) and small passenger vehicles (PVs), *Business Standard* has learnt.

The CEO council, the apex body comprising the heads of all major automakers, is expected to take up key issues under the upcoming CAFE-3 and CAFE-4 regulations. They include proposals to exempt N1 category LCVs (weighing less than 3.5 tonnes) and small PVs (weighing less than 1,000 kg).

Both demands have triggered sharp divisions within the industry.

During Friday's executive council meeting, senior execu-

tives of passenger vehicle makers debated the matter at length. While some strongly supported relief for N1-category LCVs, they opposed similar consideration for small PVs based on weight.

In response, another carmaker expressed concern over the differing treatment of the two vehicle segments, pointing out that both serve cost-sensitive buyers and face affordability challenges.

Amid the disagreement,

members suggested the matter be escalated to the CEO Council if the industry is to revisit its current position. The CEO Council, once convened, is expected to deliberate on both exemption proposals. It will also discuss broader concerns over the feasibility of achieving the stricter CAFE targets set to take effect from April 2027.

CAFE norms are government-mandated fuel consumption standards that require auto manufacturers to meet fleet-wide average carbon dioxide emission targets, based on vehicle weight and sales volume.

