

Auto firms eye India to take on Chinese rivals

Look to use India's manufacturing cost advantage as carmakers from China have gained market share in EU in recent years

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The India-European Union (EU) free trade agreement (FTA) is primed to put India on Europe's auto map, challenging Chinese dominance. Several original equipment manufacturers (OEMs) are expected to leverage India's cost advantage to accelerate the country's drive into the European car market, positioning Indian-made vehicles as a competitive alternative to Chinese imports.

Renault India Managing Director Venkatram Mamillapalle said the FTA will allow OEMs to export left-hand-drive vehicles from India. "Today, most of our exports are right-hand-drive models. Now, we can export left-hand-drive vehicles



to competitive markets like Europe," he said, adding that Renault, as a European brand, can capitalise on its India presence under this FTA.

"We can start producing cars locally at competitive prices. With engineering, suppliers, and manu-

facturing based in India, this gives us a cost advantage and greater competitiveness, especially since exports now face lower duties," Mamillapalle added. He said that both Europe and India stand to benefit. "We gain through manufacturing, while the EU gains com-

Tapping opportunity

- The industry is bullish on the ability to export left-hand-drives from India
- Carmakers look to build vehicles according to European customer preferences like colour and body-type
- India to gain through manufacturing, EU will gain through competitiveness
- Maruti Suzuki India has already begun exporting its electric Vitara to Europe

held previously.

Regarding imports, Renault plans to focus on high-end vehicles in low volumes through the Chennai port. Between April and December 2025, Renault India exported 12,841 vehicles, up from 9,687 units the previous year, according to the Society of Indian Automobile Manufacturers.

India's auto exports are primarily directed to Asian and African countries, along with select Latin American markets.

Another European player, Skoda Auto Volkswagen India, also uses India as an export hub, shipping over 31,000 vehicles between April and December last year. Sources close to the company said the FTA opens up new export opportunities. "European cus-

tomers are discerning. Volkswagen Group may consider producing vehicles tailored to their preferences, such as colour or body type, while leveraging India's low-cost manufacturing to remain competitive," a source said.

Skoda Auto Volkswagen India declined to comment, citing a lack of clarity on the FTA's details.

Meanwhile, Maruti Suzuki India has already begun exporting its electric Vitara to Europe. Volumes remain low, but the company aims to export to 100 countries globally. Suzuki Motor Corporation also has a plant in Hungary that can support European supplies.

Mahindra & Mahindra has indicated plans to enter the UK market, leveraging the India-UK FTA to export electric vehicles by 2026-27.