

autobuzz

Tesla marks India entry with first showroom

Model Y variants start from an on-road price of around \$70,000 in India

- US price of model Y is \$37,490 after a \$7,500 federal tax credit
- Showroom will open to the general public today
- New Delhi has offered to cut import taxes on electric vehicles for global automakers only if they commit to investing hundreds of millions of dollars and make cars locally

AFP | Mumbai, India

Tesla unveiled its first showroom in India yesterday, marking its entry into the world's most populous country, as Elon Musk's electric vehicle company seeks new customers amid sagging sales in the United States and Europe.

The store opened its doors in India's financial capital Mumbai to select visitors after its inauguration by Maharashtra state's chief minister Devendra Fadnavis.

The company -- which is targeting a niche but quickly growing electric vehicle market in India -- said that it was currently



Media personnel inspect Tesla's 'Model Y' vehicle during the inauguration of India's first Tesla showroom, in Mumbai

offering its Model Y car in India and would look to start rolling out deliveries of a cheaper variant later this quarter.

"This is the first launch of Tesla in India. It marks a huge milestone for Tesla globally," said Isabel Fan, the company's senior regional director, adding that charging stations would be set up in Mumbai and the capital New Delhi shortly.

While the showroom will

open to the general public today, curious onlookers and Tesla admirers braved Mumbai's heavy rains to catch a glimpse of the cars on display.

Tesla has for years signalled its interest in India but held back due to the country's steep tariffs on electric vehicles.

Musk, who once described India as having "more promise than any large country", has also criticised its import duties, calling

them among the "highest in the world".

Tesla has yet to announce plans to set up a plant in India.

India's nascent EV industry

For now, local media reports say, the company will likely sell

cars imported from China.

As a result, its Model Y variants start from an on-road price of around \$70,000 in India, according to its website, far higher than a US price of \$37,490 after a \$7,500 federal tax credit.

Tesla's India debut comes at a critical time for the company, which is seeing demand wane for its cars in countries around the world.

The recent slump in Tesla's sales partly reflects the highly competitive nature of the EV market, which the company once dominated but now also features BYD and other low-cost Chinese players.

While Tesla is looking to tap the world's third-biggest car market, experts say it is unlikely to see huge volumes in the short-term due to the nascent nature of India's EV industry and the hefty price tag of its vehicles.

India's EV market is fast-growing but remains small, with automakers reporting sales of around 100,000 vehicles in 2024 or less than three percent of total car sales.

Soumen Mandal, a senior analyst at Counterpoint, said the high price tag will likely place it out of the price range of most Indian customers and see it compete against offerings from luxury carmakers instead.

"We don't expect Tesla to play the volume game right away given the price tag," Mandal told AFP.

"We project 500-700 units sold in initial months and then that to taper off to 200-300 (per month)."

India is currently negotiating a trade deal with the United States, including a potential reduction in tariffs on automobiles.

In February, Musk held a one-on-one meeting with Indian Prime Minister Narendra Modi in Washington.



The Model Y shares about 75% of its components with the Tesla Model 3, including the chassis, battery, and powertrain. This smart design decision helped Tesla streamline production and scale manufacturing faster, reducing costs and boosting availability.

Skidding Nissan to halt production at Japanese plant

AFP | Tokyo, Japan

Struggling auto giant Nissan said Tuesday it will stop production at its plant at Oppama in Japan at the end of its 2027 fiscal year.

Nissan posted a net loss of 671 billion yen (\$4.5 billion) last year and it has said it will cut 15 percent of its global workforce.

"The company will cease vehicle production at the Oppama plant at the end of fiscal year 2027," Nissan said in a statement.

Production of the plant outside of Yokohama will be shifted to another existing factory on the southern Japanese island of Kyushu, it said.

One of Nissan's six domestic plants, Oppama employed around 3,900 people as of October 2024 and began operations in 1961, according to the company's website.

It was a "pioneer in the production of advanced vehicles, such as the Nissan LEAF, the



Employees of Japan's auto giant Nissan Motor work at an assembly line of its Oppama Plant in Yokosuka, suburban Tokyo

world's first mass-market electric vehicle," it said.

The heavily indebted carmaker, whose mooted merger with Japanese rival Honda collapsed this year, is slashing production as part of its expensive business turnaround plan.

Nissan said in May it would "consolidate its vehicle production plants from 17 to 10 by fiscal year 2027".

Like many peers, Nissan is finding it difficult to compete against Chinese electric vehicle brands.

Volkswagen restarts electric minivan exports to US



AFP | Frankfurt, Germany

German auto giant Volkswagen said yesterday it had resumed shipments of its electric minivan ID. Buzz to the United States after a temporary pause due to a technical issue.

"A cargo ship carrying electric ID. Buzz vehicles left the port of Emden (Germany) on Saturday bound for the United States," Volkswagen commercial vehicles spokesman Tobias

Riepe told AFP.

Volkswagen halted exports of the battery-powered camper to North America last week due to a recall by US officials.

The rear seats in the vehicle, which is manufactured in the German city of Hanover, were too wide for the automotive authorities in the United States. The latest shipment of minivans would be brought in line with US specifications on arrival before being delivered to dealerships, Riepe said.

China's Baidu to deploy driverless cars on Uber

AFP | Beijing, China

Chinese internet giant Baidu plans to launch its driverless cars on ride-hailing app Uber in Asia and the Middle East this year, the two companies said yesterday.

The multi-year partnership will see "thousands of Baidu's Apollo Go autonomous vehicles on the Uber platform across multiple global markets", the

companies said in a joint statement.

The first driverless cars are expected on the roads this year, the statement said, adding the robotaxis would launch "outside the United States" but without specifying in which countries.

Uber users in these locations may have the option of choosing to ride in a fully driverless Apollo Go car after they request a trip.

