



Is Tesla poised to take the plunge in India?

Ammar Master,
Senior Manager,
Asia Pacific Vehicle Forecasts

A tweet from Tesla's CEO Elon Musk on 2 October about his company's potential entry into India finally convinced us to cautiously add the Tesla Model 3 to our forecast.

The US automaker first began taking orders for the Model 3 from India four years ago, and rumours of the electric vehicle entering the market have been circulating for several years.

We were previously less confident that Tesla would launch sales in India, given the brand's premium price point, but new developments on the ground now make this scenario more plausible.

To begin with, the Indian government's aim to promote electrified vehicles has been backed up by numerous regulations and policies, at both the central and state levels. Indeed, 11 states have already implemented dedicated policies for the sector, providing incentives to both manufacturers and buyers.

Secondly, a more relaxed import policy, which allows individual automakers to import up to 2,500 new vehicles per annum without the need for homologation, also makes it easier for OEMs to bring in niche models, as underscored by the launch of the Mercedes-Benz EQC in October.

The arrival of the EQC has, in fact, given a fillip to India's Premium electrified vehicle market, with the Jaguar I-PACE slated to follow in March 2021. Audi, meanwhile, plans to start selling the e-tron in the near future. For the moment, we cautiously expect Tesla to start importing the Model 3 into India by the second quarter of 2022, on the assumption that it is first showcased at the Auto Expo 2022. It should be noted, however, that the fully imported Model 3 will, of course, be a niche product in the market.

And while a few state authorities are attempting to convince Tesla to invest in India, the brand is unlikely to set up a local vehicle assembly plant just yet. The electrified vehicle market is only in its embryonic stages and the jury is still out on whether it will ever fully evolve in India (as I outlined in a [previous blog post](#)).