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DOMESTIC

1. TATA

TATA MOTORS GROUP'S GLOBAL WHOLESALES GROW BY 8% IN Q4 FY2023

Cumulative global sales of the Tata Motors Group stood at 3,61,361 units.

09-Apr-23 11:00 AM IST

Highlights

- JLR Wholesale was higher by 18.55 per cent over Q4 FY2022

- Tata Motors continues strong sales momentum
- CV sales to improve very likely in FY2024 due to entry in Thailand

The Tata Motors Group's global wholesales in Q4 FY23, including Jaguar Land Rover, were at 3,61,361 units, up 8 per cent, as compared to Q4 FY22.

Tata Motors commercial vehicles have done well with an increase that we posted recently. The group has recently begun operations in Thailand which should help the CV business to move forward. Global wholesales of all Tata Motors commercial vehicles and the Tata Daewoo range in Q4 FY23 were at 1,18,321 units, lower by 3%, over Q4 FY22.

Global wholesales of Tata Motors passenger vehicles (including EVs) in Q4 FY23 were at 1,35,654 units, a 10 per cent increase as compared to Q4 FY22. Also, the automaker sold 44,225 passenger vehicles in March 2023 as opposed to 42,466 in the same period last year. Tata launched the Tiago EV in the last quarter which has over 20,000 orders and 10,000 of them are delivered. Bookings continue to come in swiftly says the company. Punch and Nexon drive Tata PV sales in the domestic market as they are well-appreciated products with many options for customers to choose from at different price

Global wholesales for Jaguar Land Rover were 1,07,386 vehicles for Q4 FY23 including CJLR (JLR and Chery Automobiles JV) volumes of 12,737 units. Jaguar wholesales for the quarter were 15,499 vehicles, while Land Rover wholesales for the quarter were 91,887 vehicles. The global wholesales for Jaguar Land Rover were 89,148 vehicles in Q4 FY22. This translates to a 1.2 per cent increase over FY2022.

Land Rover's latest launch of its flagship Range Rover has surpassed order expectations according to the company and the entire range is booked for a year. The SUV range is doing well including the Velar and the Discovery series. Jaguar on the other hand is struggling to update its portfolio or find homes. The manufacturer is set to make the entire saloon portfolio electric which will only happen in 2025. The competition is all-ready with an entire range. JLR does believe in the electric phase and plans to be mostly electric in the future.

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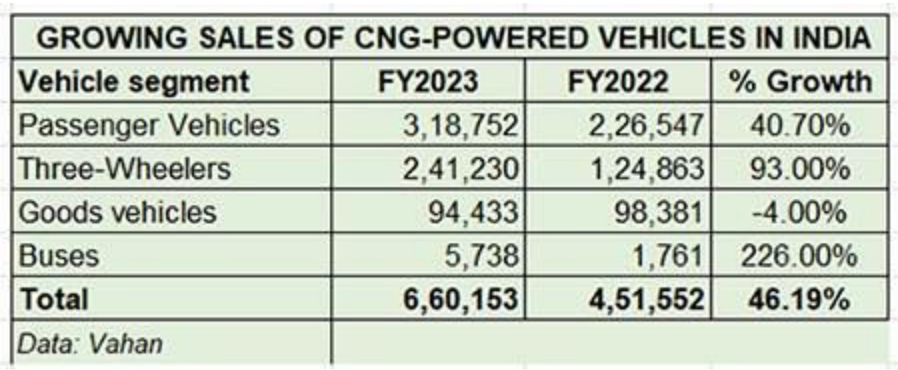
2. FAME-2 / ALTERNATE FUEL VEH TECH / MARKET UPDATES

CNG VEHICLE SALES SURGE BY 46% TO OVER 650,000 UNITS IN FY2023

Given the favourable price arbitrage of CNG versus petrol and diesel, retail sales of CNG vehicles cross 650,000 units for the first time in a fiscal; steep price cut on April 6 to spur demand in FY2024

10 Apr 2023

Demand for alternative fuel vehicles in India is on the upswing and clearly seen in the increasing sales of CNG-powered vehicles. Given the favourable price arbitrage of CNG versus petrol and diesel, retail sales of CNG vehicles, across four sub-segments, crossed the 650,000-unit mark for the first time in a fiscal in FY2023. Cumulative sales of 660,153 units (see data table below) translate into strong double-digit YoY growth of 46% (FY2022: 451,552 units).



GROWING SALES OF CNG-POWERED VEHICLES IN INDIA			
Vehicle segment	**FY2023**	**FY2022**	**% Growth**
Passenger Vehicles	3,18,752	2,26,547	40.70%
Three-Wheelers	2,41,230	1,24,863	93.00%
Goods vehicles	94,433	98,381	-4.00%
Buses	5,738	1,761	226.00%
Total	**6,60,153**	**4,51,552**	**46.19%**
Data: Vahan			

CNG passenger vehicles (PVs), with 318,752 units, account for 48% of the total retail sales in FY2023 and surged by 40.71% year on year (FY2022: 226,547 units) and took an 8.80% share of overall retail sales of 36,20,039 PVs in India.

Maruti Suzuki commands 69% share of CNG car market

PV market leader **Maruti Suzuki India** has a strong grip on the CNG sub-segment with 219,717 units, which marks 24% growth (FY2022: 176,691) and gives the company a commanding share of 69% in the segment. The company, which introduced CNG in the S-Presso, Brezza, Grand Vitara, Swift, Dzire, Baleno and XL6 in FY2023, now offers the factory-fitted CNG option in all of 14 cars, the largest for any carmaker in India.

At end-March 2023, Maruti Suzuki had a pending order backlog of a total of 380,000 PVs of which CNG models account for 121,000 units or 32%, with the popular Ertiga CNG MPV comprising for nearly 68,000 units of 56% of pending CNG variant orders.

RETAIL SALES OF INDIA'S TOP 4 CNG CARMAKERS			
Company	**FY2023**	**FY2022**	**% Growth**
Maruti Suzuki	2,19,717	1,76,691	24.35%
Hyundai India	55,992	40,434	38.47%
Tata Motors	40,323	7,059	471%
Toyota Kirloskar Motor	1,612	93	1633%
Data: Vahan			

Hyundai Motor India, which currently has the Aura sedan and Grand i10 Nios as its CNG offerings, sold 55,992 units, recording strong 38% YoY growth (FY2022: 40,434). This performance gives Hyundai a 17% market share.

Tata Motors, which had entered the CNG market in FY2022 with the Tiago and the Tigor, is already making strong gains. In FY2023, the company saw retails of 40,323 units, which a 471% YoY increase albeit on a low-year-ago base (FY2022: 7,059). What is creditable is that despite its recent entry into the CNG market, Tata Motors has already grabbed 13% of the CNG car market.

Bajaj Auto maintains stranglehold on 3-wheeler market

While three-wheelers clocked 93% growth with retails of 241,230 units (FY2022: 124,863), demand for CNG goods vehicles was down by 4% YoY to 94,433 units. The goods vehicle segment is seeing greater demand in the form of electric mobility, where the lower cost of ownership, compared to CNG, is driving demand from last-mile mobility and logistics operators.

CNG THREE-WHEELER SALES JUMP 93% IN FY2023			
Company	**FY2023**	**FY2022**	**% Growth**
Bajaj Auto	1,92,845	98,736	95.31%
Piaggio Vehicles	23,695	13,882	70.68%
TVS Motor Co	9,868	4,211	134.33%
Atul Auto	7,185	6,101	17.76%
Mahindra & Mahindra	3,030	129	2248.00%
Continental Engines	1,896	854	122.00%
JS Auto	1,210	666	81.68%
API Motors	802	145	453.00%
MLR Auto	517	35	
MLR Motors	79	2	
Others	103	102	
Total	**2,41,230**	**1,24,863**	**93.19%**
Data: Vahan			

Bajaj Auto with retails of 192,845 units, which marks YoY growth of 95% (FY2022: 98,736), maintains a vice-like grip on the CNG three-wheeler market. The company has increased its market share to 80%. Piaggio Vehicles, with 23,695 units, recorded 70% growth and currently has a 10% market share. TVS Motor Co saw a 134% YoY increase in sales to 9,868 units, more than doubling its FY2022's sales of 4,211 units.

CNG-only three-wheelers accounted for 222,505 units and comprised 92% of overall sales, with the balance 18,725 units being petrol-CNG three-wheelers.

With the Central and state governments pushing demand for CNG buses, while also expanding the CNG filling network across the country, CNG bus sales rose sharply by 226% to 5,738 units (CY2022: 1,761 units)

Latest price cut to spur sales in FY2024

Clearly, the smart increase in consumer demand for CNG vehicles continues to be driven by the lower cost of ownership mantra that the greener fuel offers in the face of high petrol and diesel prices.

CNG PRICES SEE STEEP REDUCTION			
City	**New price**	**Earlier price**	**Reduction**
	CNG / kg	**CNG / kg**	**CNG / kg**
Delhi	Rs 73.59	Rs 79.56	Rs 5.95
Mumbai	Rs 79	Rs 87	Rs 8
Bengaluru	Rs 83.50	Rs 89.50	Rs 6
Pune	Rs 87	Rs 92	Rs 5
Meerut	Rs 83	Rs 91	Rs 8
Source: GoI			

What will help accelerate demand and sales for CNG vehicles across segments is the steep price cut effective April 8, 2023. The Rs 8 per kg cut is the biggest-ever in recent times and takes the price of CNG in Mumbai to Rs 79 per kg from Rs 87 per kg. The steep price cut is the result of the Union Cabinet's decision on April 6 to revise the pricing methodology of naturas gas produced in the country.

INDIA'S EV SALES CROSS MILESTONE

TNN | Apr 10, 2023, 06.11 PM IST

CHENNAI: India's electric vehicle sales crossed the one million-unit mark in FY22-23. According to the latest data from the Society of Manufacturers of Electric Vehicles (SMEV), the overall EV industry registered sales of 1,152,021 units including e-buses, e-cars, e-three-wheelers, and e-two-wheelers in FY 2023. This is up from 726,861 units sold in FY21-22, up 58%. The biggest slice of the EV pie at 62% was two-wheelers with the industry selling 726,976 high-speed e-two wheelers though adoption fell month on month "ending with an annual shortfall of more than 25% over the minimum target set by Niti Aayog," said a statement by SMEV.

This apart, the two-wheeler sales tally also included 120,000 low-speed e-scooters, 285,443 low speed e-rickshaws, and around 50,000 low speed e-cycles bringing the combined low and hi-speed two-wheeler sales to 846,976 units in FY23.

That's a sharp jump from the 27,888 electric two-wheelers sold in FY17 and nearly three times higher than the 328,000 units sold in FY22. Electric three-wheelers comprised the second biggest slice of the EV pie at 34% clocking 401,841 units in FY23. Electric four wheelers at 4% sold 47,217 units while electric buses were a mere 0.16% with sales of 1904 units.

Industry, however, has voiced its concern over the suspension of FAME2 subsidies to companies that do not meet localisation eligibility arguing that it has impacted sales. The momentum in electric two-wheeler adoption “fell after the festive season not because of consumer demand but the sudden withholding of more than the Rs 1,200 crore subsidy already passed on by the majority of OEMs to the customers on the pretext of delay in the localisation,” said the SMEV statement.

"Another Rs 400 crore of the OEMs operating in the premium end also got stuck due to the allegation of under invoicing to bypass the FAME norms.”

Currently 16 companies are awaiting resolution to this impasse.

Sohinder Gill, director general, SMEV, said, “While all the earlier schemes since 2015 had negligible effect on the EV adoption, the revised FAME2 had a dramatic effect on e-two wheeler adoption as it decreased their prices by around 35%. This started attracting the component supply chain that had earlier shunned anything to do with electric two wheelers because of extremely low volumes. It is only in the late 2021, suppliers started queuing up to OEMS to show their eagerness of developing EV component. It took most of these suppliers 12 to 18 months, the usual time that it takes to localise and now most of them have started setting up sufficient capacities.”

The industry, he added, is seeking an extension of the eligibility criteria by two years and an extension of the FAME scheme for another 3-4 years.

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CNG VEHICLES MAY BE MORE LUCRATIVE AFTER REVISION OF FUEL PRICE MECHANISM

The number of CNG models has gone from single digits to 19 and counting. The choices have expanded from hatchback to sedans and even the SUV and MPV segments.

April 11, 2023 08:00 IST

The complete electrification of the automotive industry may be a few decades away but there is a growing popularity and acceptance of alternative fuels such as CNG across segments. Both from the affordability aspect and emission perspective, CNG is a lucrative option today, especially after the revised price mechanism.

The government's recent move to tweak the price guidelines for natural gas has made the retail price of CNG come down by Rs 5.97. This translates to Rs 73.59kg. While for most the Rs 6 difference hardly may seem a big deal, the cost saving for the vast majority of budget-conscious individuals who use CNG cars means more money in their pocket.

The difference in price between petrol, diesel, and CNG, along with the growing availability of these fuel options across the country is further driving higher acceptance amongst buyers.

FUEL PRICE IN INDIA					
Date	Petrol	Diesel	CNG	Difference versus Petrol	Difference versus Diesel
Apr-23	96.72	89.62	73.59	23.13	16.03
Dec-22	96.72	89.62	79.56	17.16	10.06
Nov-22	96.72	89.62	78.61	18.11	11.01
Sep-22	96.72	89.62	75.61	21.11	14.01
May-22	105.41	96.67	75.61	29.8	21.06
Apr-22	101.81	93.87	71.61	30.2	22.26

Mar-22	95.41	86.67	71.61	23.8	15.06
Price in Rs per litre/kg in Delhi as on April 11, 2023.					

The price difference for CNG per kg versus Petrol and Diesel per litre.

Thus, the price difference for CNG compared to petrol and diesel has now come down to Rs 23.13 and Rs 16.03 respectively.

In fact, as per an analysis done by *Financial Express*, the number of CNG vehicles registered in the country has been consistently growing by double digits.

In 2022 alone, a total of 699,731 CNG vehicles were registered in the country, which was 68 percent higher than the previous year. As of April 10, 2023, the industry has already sold 213,908 CNG vehicles, or 30.57 percent of the total CNG vehicle sales last year.

Impact on Passenger vehicle sales

The passenger vehicle segment was one of the fastest-growing segments in FY2023 for the Indian automotive industry.

While it is difficult to estimate the exact number of CNG passenger vehicles sold in the fleet versus person mobility space, it can be fairly stated that with the growing number of premium models now being introduced in the CNG format, the desirability and acceptability are growing manifold for the personal buyers. Adding to that is the number of OEMs now selling CNG cars, what was started by Maruti Suzuki India to cater to and provide company-fitted CNG models, was slowly adopted by Hyundai Motor India, Tata Motors and now Toyota Kirloskar Motor (Toyota India).

Speaking to Financial Express, *Shashank Srivastava* said that while it is difficult to estimate the exact rise in demand for CNG models after the reduction in fuel prices, it surely will result in a growth uptick. “The move surely has a positive impact and increases the consideration set for potential customers. Then there is the availability of new models and launches, which further helps drive growth for CNG vehicles.”

CNG Vehicle sales in last 3 years.

The number of CNG models has gone from single digits to 19 and counting. The choices have expanded from hatchback to sedans and even the SUV and MPV segments.

Vinkesh Gulati, Chairman, Research & Academy, FADA too agrees that the move will see improved retail demand. “Most of the CNG vehicle buyers are consumers who are very cost conscious. For them, any revision of fuel prices does have an impact on their purchase decision. There are certain customers who delay their purchase decision, especially in the fleet segment when there is an upward revision of CNG prices. Similarly, the reduction in fuel prices will further bring further demand for the CNG models.”

There could be an argument around the hike in CNG prices not slowing down sales last year, but one also has to understand that with the rise in the number of models and new variants being introduced by OEMs in the CNG segment, a potential drop in sales was avoided.

On the other hand, when one looks at the monthly CNG vehicle registrations, barring January and February 2021, the industry has averaged almost doubled sales for the last 2 years.

But all said and done, going forward, will there be an upward or downward revision in CNG prices, no one can tell. On the other hand, the government’s focus on expanding the CNG network and OEMs introducing new models with gaseous fuel options bring in new customers to the segment.

3. STATE TRANSPORT UNDERTAKINGS

GOVT TO PROCURE 500 BUSES FOR JAIPUR, 4 OTHER CITY TRANSPORT CORPORATIONS

TNN | Apr 9, 2023, 08.27 AM IST

Jaipur: The state government is all set to procure 500 new buses for the state's five city transport corporations, including Jaipur.

In all probability, this is for the first time, that the government would procure a few air-conditioned electric vehicles for city transportation.

"The government has given financial approval for the 500 new buses. This was announced during the budget speech of chief minister," said Joga Ram secretary of the of the local self-government department.

The five city transport corporations in the state - Jaipur City Transport Services Limited (JCTSL), Kota Bus Services Limited (KBSL), Jodhpur Bus Services Limited (JBSL), Udaipur Bus Services Limited (UBSL) and Ajmer Pushkar City Bus Limited (APCBSL) falls under the LSG Department.

Officials of the department said the finance department had approved a financial provision of Rs 132.24 crore for procurement of these 500 buses. Funds for this procurement would be sourced from the Rajasthan Transport Basic Development Fund.

"As per the plan being the biggest city transport corporation in the state, JCTSL would get 300 out of these 500 buses. Rest 200 buses would be shared by the rest four transport corporations. Most probably, JCTSL would procure all the 500 buses officially and then 200 buses would be handed over to other corporations," an official added.

In November 2022, JCTSL had floated a proposal to acquire 200 buses for the corporation by participating in the bid organised by the Convergence Energy Services Limited (CESL) an ancillary of the Union Ministry of Power. However, it not clear yet on how the procurement would take place this time.

“No discussions have been made about the procurement process yet. We have to go through the government approval order first before taking the next step,” said a senior official.

Besides, procurement of 500 electric buses, chief minister Ashok Gehlot has also announced formation of a Rajasthan City Transport Corporation – an amalgamation of the five city transport corporations.

WHY NOT A FRESH TENDER FOR ELECTRIC BUSES: SC TO BEST

TNN | Apr 11, 2023, 11.44 AM IST

NEW DELHI:The Supreme Court on Monday urged the Brihanmumbai Electricity Supply and Transport (BEST) undertaking to consider issuing a fresh tender for supply of 2,100 electric buses to meet the clean public transport requirements of the metropolis, as directed by the Bombay high court in July last year.

BEST and Telangana-based Evey Trans, which had bagged the tender for supply of electric buses, had appealed against the HC order faulting the tender process and asking BEST to issue a fresh tender. However, SC on July 14 last year had granted interim stay on the HC order.

On Monday, a bench headed by CJI D Y Chandrachud told solicitor general Tushar Mehta, who appeared for BEST, that it would be better if a fresh tender for procurement of electric buses was issued and the entire process expedited to finalise it within a month. "Otherwise, Tata and Evey Trans will continue fighting." However, Mehta said he hoped to persuade the SC to set aside the

HC order to allow BEST to make procurement of electric buses as per the earlier tender. On Mehta's request, the bench adjourned the hearing.

On a petition filed by Tata Motors, the HC in July last year had said BEST's decision to accept the tender of Evey Trans to manufacture 2,100 electric buses for Mumbai was not a fair one and had set aside the tender. The HC had said the facts did not depict fair play in action. It said the facts made it clear that Evey Trans, a Hyderabad-based company, submitted a revised annexure "two days after the opening of technical bids and after acceptance of revised annexure" on May 6, its technical bid was accepted in the afternoon of the same day. "The aforesaid does not depict fair play in action," the HC had said.

4. MARKET SCENARIO

NO PETROL, DIESEL, CNG CABS IN DELHI IN FUTURE: ONLY EVS TO BE ALLOWED

TIMESOFINDIA.COM | Apr 8, 2023, 01.48 PM IST

No petrol, diesel, CNG cabs in Delhi in future: Only EVs to be allowed

The Transport Department of Delhi Government will soon introduce a new policy for taxi/cab aggregators, food delivery companies and e-commerce entities that will mandate them to switch to an all-electric fleet by the end of this decade. The Delhi Transport Department is planning to make the transition to zero-emission electric vehicles (EVs) in a phased manner.

Kailash Gahlot, Minister of Transport of Delhi said, "Delhi will have an all-electric fleet for cabs and other e-commerce entities by April 1, 2030. We have already achieved remarkable success in the field of electric vehicles as Delhi has the highest penetration of EVs in India."

"We are expanding electric charging stations at a fast pace and at affordable prices. A robust infrastructure is being put in place for EVs. The main idea is to make Delhi air pollution-free and we have already seen good results in the past few years by promoting EVs. In the coming years, Delhi air would be better due to it," he added.

MG Comet interior details revealed: Most affordable EV with connected displays

Senior officials in the know of the matter said that the aggregator draft policy has been passed by the law department and it would be ready to be implemented after receiving the final approval from the Transport Department and the Lieutenant Governor. Moreover, the draft has provisions for phasing out the existing petrol, diesel and CNG cabs in a phased manner.

What this means is that about five per cent of the new fleet acquired by the aggregators within six months of the notification should be electric. This will increase to 15 per cent within nine months, 25 per cent by the end of one year, 50 per cent by the end of two years, 75 per cent by the end of three years and 100 per cent by the end of four years. The entire fleet should have only EVs by April 1, 2030. There will also be provisions for fines if the aggregators do not comply with the norms, revealed an official.

As of now, the Tata Tiago EV is the most affordable electric hatchback in India, with prices starting from Rs 8.69 lakh, while its sedan sibling i.e. Tigor EV starts from Rs 12.49 lakh. In contrast, the equivalent petrol-powered Tigor is priced from Rs 6.20 lakh - which is less than half of the fully-electric version. Pricing for the Tigor CNG starts from Rs 7.60 lakh (all prices, ex-showroom), which clearly shows that there's still a sizeable gap between the prices of internal combustion cars as well as battery-powered vehicles.

The new aggregator policy could also result in manufacturers introducing new, more affordable entry-level aggregator-only variants of their respective EVs, with lesser creature comforts. The introduction of more affordable EVs in the country in the coming years will also be key for the implementation of this switch from ICE vehicles to EVs.

LEADERSHIP CHANGES APLENTY ACROSS AUTOMOTIVE SECTOR

FY2024 is expected to see a rise in the number of movers and shakers in the automotive industry.

April 9, 2023 11:17 IST

Tsutsumu Otani

Anshuman Singhania

Arnab Banerjee

Kenichi Umeda

Ajay Raghuvanshi

Niranjan Gupta

Dr Christian Danz

Vineet Sahni

Rajesh Mittal

Dr Andy Palmer

FY2024 has started on an active note, especially in terms of management changes across Auto Inc. What's interesting to note is that a vast majority of the announcements were from the two-wheeler industry.

The first of many announcements came on March 31, when the country's largest two-wheeler player Hero MotoCorp announced the appointment of Niranjan Gupta, currently Chief Financial Officer, as the new Chief Executive Officer from May 1.

On the same day, Piaggio Vehicles India appointed Ajay Raghuvanshi as the Executive VP for its two-wheeler business. In his last stint, he was with Skoda India (Volkswagen Group) as Head of Sales, Planning, Used Cars, Training, and Corporate, where he steered the brand to a 6X growth path.

Then came the news from the Japanese automakers – Honda Motorcycle & Scooter India (HMSI), Suzuki Motorcycle India, and an unexpected surprise from Isuzu Motors India.

At HMSI, Tsutsumu Otani, who was the VP at Honda Motor Co., Japan, took over the responsibility of the President, CEO & MD of Honda Motorcycle & Scooter India succeeding Atsushi Ogata.

Over at Suzuki Motorcycle India, Kenichi Umeda succeeded Satoshi Uchida as the new Managing Director (MD) of the company.

And the biggest surprise was Isuzu Motors India appointing for the first time in its operations a person of Indian origin to lead its operation in the country. Rajesh Mittal was announced as the successor of Wataru Nakano, as the President of Isuzu Motors India (IMI).

Bajaj Auto also had a new position announced at its subsidiary Chetak Technology. The company roped in the former Vice President Engineering X-House eDrives at Robert Bosch, Dr Christian Danz as the new Chief Technology Officer.

In the component space, Lumax Group CEO, Vineet Sahni decided to call it a day due to "personal commitments" after leading the company successfully for a decade.

The Automotive Tyre Manufacturers Association (ATMA) also announced leadership change, with Anshuman Singhania, MD, JK Tyre & Industries elected as the new Chairman and Arnab Banerjee, MD & CEO of CEAT as the Vice-Chairman respectively.

In the global EV space, Dr Andy Palmer, who has been associated with big names like Nissan Motor Co, Aston Martin Lagonda, Ashok Leyland and Switch Mobility, joined a UK-based start-up Ionetic as its Chairman.

In fact, if this is any indication of the things to come, expect plenty of action in the automotive industry as it goes through a transformational disruption not only through technology but also through people-led strategy.

CV SALES MARCH 2023 – TATA, MAHINDRA, ASHOK LEYLAND, MARUTI, ISUZU

PEARL DANIELS APRIL 11, 2023

Commercial vehicle retail sales improved on a YoY and YTD basis, but far off from pre-Covid peak sales figures Tata Truck Commercial vehicle sales improved across all segments, be it LCV, MCV and HCV in March 2023. Demand for trucks and buses was high last month thanks to pre-buying ahead of BS6 Phase 2 transition though sales were nowhere close to figures in the 2018-19 fiscal or should we say the pre-covid period. FY 2023 commercial vehicle sales stood at 9.39 lakh units, growth of

33% over FY 2022.

No	CV Retail Sales	Mar-23	Mar-22	Diff	Growth % YoY	% Share Feb 23
1	Tata	36,152	36,005	147	0.41	38.96
2	Mahindra	20,509	18,205	2,304	12.66	22.10
3	Ashok Leyland	16,124	12,691	3,433	27.05	17.38
4	VECV	6,637	4,826	1,811	37.53	7.15
5	Maruti	3,699	3,987	-288	-7.22	3.99
6	Daimler	2,134	1,587	547	34.47	2.30
7	Force	1,109	685	424	61.90	1.20
8	Isuzu	850	672	178	26.49	0.92
9	Others	5,576	5,466	110	2.01	6.01
-	**Total**	92,790	84,124	8,666	10.30	100.00

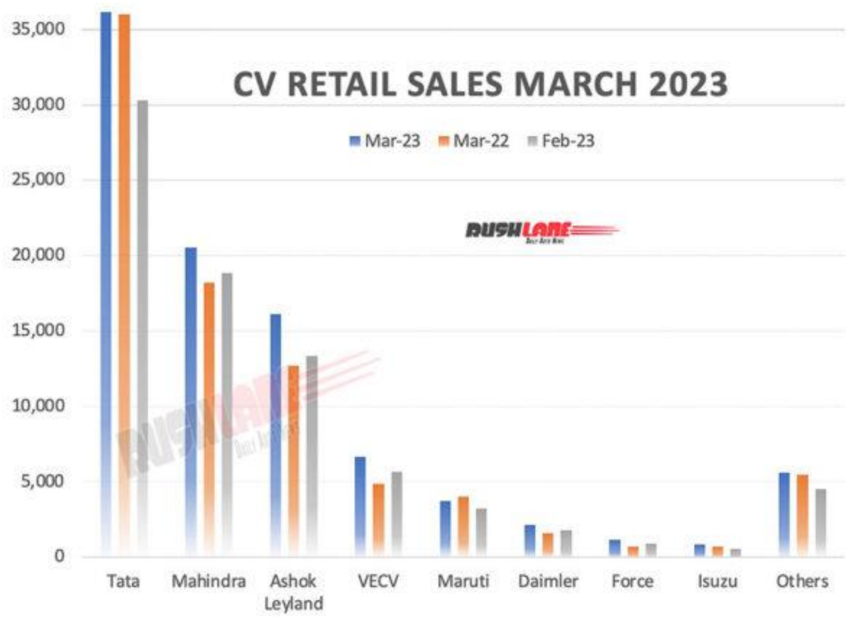
Commercial Vehicle sales March 2023 CV retail sales in March 2023 stood at 92,790 units, up 10.30 percent when compared to 84,124 units sold in March 2022. Commercial vehicle retail sales in Feb 2023 had stood at 79,027 units thus relating to a significant MoM growth. YTD retail sales were at 9,39,741 units in the FY 2022-23 period, a 32.88 percent growth from 7,07,186 units sold in FY 2021-22.

CV Retail Sales March 2023 vs March 2022 – YoY Analysis Taking into account YoY retail sales, every segment under commercial vehicles posted increased sales except for the LCV segment. Sales of LCVs dipped 0.91 percent to 49,745 units in the past month from 50,200 units sold in March 2022. On the other hand, MCV and HCV improved by 18.26 percent and 26.18 percent respectively to 6,050 units and 33,119 units.

No	CV Retail Sales	Mar-23	Feb-23	Diff	Growth % MoM	% Share Feb 23
1	Tata	36,152	30,280	5,872	19.39	38.32
2	Mahindra	20,509	18,845	1,664	8.83	23.85
3	Ashok Leyland	16,124	13,331	2,793	20.95	16.87
4	VECV	6,637	5,638	999	17.72	7.13
5	Maruti	3,699	3,209	490	15.27	4.06
6	Daimler	2,134	1,785	349	19.55	2.26
7	Force	1,109	880	229	26.02	1.11
8	Isuzu	850	542	308	56.83	0.69
9	Others	5,576	4,517	1,059	23.44	5.72
-	Total	92,790	79,027	13,763	17.42	100.00

There were others in the list that contributed 3,876 units to total retail sales, up 51.35 percent from 2,561 units sold in March 2022. Tata Motors was the top selling OEM in terms of commercial vehicles in March 2023. Sales improved to 36,152 units in the past month over 36,005 units sold in March 2022. Market share however, dipped to 38.96 percent from 42.80 percent YoY.

In the company's CV range is the popular Prima Series of trucks that comes in with ADAS feature while the company also added this safety feature to its Ultra and Signa range of trucks. CV Retail Sales March 2023 vs Feb 2023 – MoM Analysis At No. 2 was Mahindra with retail sales of 20,509 units in the past month, up from 18,205 units sold in March 2022. Market share went up to 22.10 percent from 21.64 percent YoY. Ashok Leyland also reported an increase in retail sales to 16,124 units in March 2023 from 12,691 units sold in March 2022.



Market share increased to 17.38 percent from 15.09 percent respectively. Tata, Mahindra and Ashok Leyland were the only three OEMs to report retail sales above the 10,000 unit mark. CV Retail Sales March 2023 vs March 2022 (YoY) vs Feb 2023 (MoM) Daimler, Force Motors, SML Isuzu Lower down the order were VE Commercial vehicles with 6,637 unit retail sales in March 2023, up from 4,826 units sold in March 2022. Market share went up to 7.15 percent from 5.74 percent YoY. Maruti Suzuki was the only OEM to report de-growth in terms of commercial vehicle retail sales last month.

No	CV Retail Sales	FY23	FY22	Diff	Growth % YoY	% Share FY23
1	Tata	3,67,973	2,93,158	74,815	25.52	39.16
2	Mahindra	2,25,661	1,49,203	76,458	51.24	24.01
3	Ashok Leyland	1,50,138	1,01,877	48,261	47.37	15.98
4	VECV	62,609	42,564	20,045	47.09	6.66
5	Maruti	40,527	40,141	386	0.96	4.31
6	Daimler	17,077	13,093	3,984	30.43	1.82
7	Force	12,047	8,590	3,457	40.24	1.28
8	Isuzu	9,136	5,924	3,212	54.22	0.97
9	Others	54,573	52,636	1,937	3.68	5.81
-	Total	9,39,741	7,07,186	2,32,555	32.88	100.00

Sales dipped to 3,699 units in March 2023 from 3,987 units sold in March 2022. This took market share down to 3.99 percent from 4.74 percent. It was however a MoM growth in sales when compared to 3,209 units sold in Feb 2023. Lower down the list was Daimler India with retail sales of 2,134 units in March 2023 with a 2.30 percent market share up from 1,587 units sold in March 2022 when market share stood at 1.98 percent. It was followed by Force Motors with 1,109 unit retail sales in March 2023 from just 685 units sold in March 2022. CV Retail Sales FY 2023 vs FY 2022 SML Isuzu saw its retail sales go up to 850 units in the past month from 672 unit retail sales in March 2022. There were others in this list that added 5,576 units to total retail CV sales, a marginal increase from 5,466 units sold in March 2022.

5. PLI SCHEME

PLI SCHEME. INDIA WANTS KEY SUPPLY-CHAIN ROLE AS FIRMS SHIFT FROM CHINA

April 11, 2023 - Updated 10:11 am IST

India seeks to be more involved in world supply chains and serve as an alternative to China, says FM Nirmala Sitharaman

Union Finance Minister Nirmala Sitharaman at a roundtable meeting on the theme "Investment opportunities for the long term: India on the Rise" with business leaders and investors co-hosted by CII and USIBC in Washington DC | Photo Credit: Finance Minister's Twitter handle

India seeks to be more involved in world supply chains and serve as an alternative to China through output-incentive plans and the growth of its domestic consumer market, Finance Minister Nirmala Sitharaman said.

Production-linked incentive (PLI) schemes covering 13 manufacturing sectors including for semiconductors "are bringing in global value chains into India," Sitharaman said at the Peterson Institute for International Economics.

"By doing that, we hope to have production of many of these large, bulk-manufactured goods which can go from India" to meet both international and local demand, she said.

India last month laid out an ambitious target of hitting $2 trillion annually in overall exports by 2030 as the South Asian country makes a renewed push to become a top choice for companies shifting supply chains away from China.

Finance Minister Nirmala Sitharaman was at Peterson Institute for International Economics on the sidelines of the Spring Meetings 2023 in Washington DC | Photo Credit: Finance Minister's Twitter handle

On Monday, Sitharaman gave the example of mobile-phone manufacturing — the Asian nation in 2014 produced very few devices and the industry had grown to become one of the world's biggest exporters.

She is on a weeklong trip to the US to attend the World Bank and International Monetary Fund's Spring Meetings.

India over the the past year has been pursuing bilateral trade deals with a range of countries, including Australia, the UK and Canada, shifting from the usual go-slow approach on such agreements. On Monday, Sitharaman said the nation of 1.4 billion people also is pushing ahead with a pact with the European Union.

G-20, Debt

India holds the presidency of the Group of 20 intergovernmental forums of influential nations and is under pressure to show it can forge an agreement after major meetings this year ended with Russia and China objecting to language around the war in Ukraine.

This "is a great opportunity for India to prove and to work towards bringing all countries together on substantive issues," Sitharaman said.

"It is time that the members of the G-20 sit up and take these issues on board," she said, singling out the need to provide debt relief for more than 70 low-income nations facing a collective $326 billion burden.

More than half of the world's low-income countries are at high risk of debt distress or already in it, and several have defaulted. But despite the G-20 largest economies having agreed in 2020 to a plan called the Common Framework to smooth the process of restructuring loans that governments could no longer afford to service or repay, not a single nation has actually gotten relief under it so far.

"This issue will be taken forward, and I hope to have some positive movements," Sitharaman said.

Sitharaman is India's first female finance minister and has been credited with supporting social-welfare programs during the pandemic and narrowing the budget gap to 5.9 per cent of gross domestic product in the fiscal year starting April from a record 9.2 per cent in 2021.

6. FINANCE

IMPACT OF UNCHANGED REPO RATE: WHAT'S AHEAD FOR HOMEBUYERS, FIXED DEPOSIT INVESTORS, DEBT MUTUAL FUNDS AND REAL ESTATE SECTOR?

20 min read . Updated: 08 Apr 2023, 09:20 PM IST[Vipul Das]

Contrary to expectations of 25 bps hike in policy rate, RBI has decided to take a pause in interest rate hikes this time around.

- On April 6, 2023, the Reserve Bank of India (RBI) held its bimonthly monetary policy meeting and chose to leave the repo rate at 6.5%.

On April 6, 2023, the Reserve Bank of India (RBI) held its bimonthly monetary policy meeting and chose to leave the repo rate at 6.5%. In an unexpected decision, the MPC reduced the average inflation rate for FY2024 to 5.2% from 5.3% earlier and revised real GDP growth for FY2024 to 6.5% from 6.4% earlier, amid worries about a global downturn. Homebuyers may profit from stable home loan interest rates thanks to the central bank's decision to maintain the repo rate at its current level, while investors in fixed deposits may not see an extra kick in rates. Let's consider the perspectives of many industry experts to determine how fixed deposit investors, debt mutual funds, and the real estate sector may prosper moving forward.

Jaideep Arora, CEO, Sharekhan by BNP Paribas

Contrary to expectations of 25 bps hike in policy rate, RBI has decided to take a pause in interest rate hikes this time around. However, it has kept the window open for any further action on interest rates depending upon the incoming economic data and any changes in the global macro scenario. Interestingly, the decision to not go for a rate hike is an unanimous decision by members of the Monetary Policy Committee (MPC). Also, for fiscal 2023-24 (FY2024), the projections for real GDP growth rate increased to 6.5% (up from 6.4% earlier and higher than the projections by World Bank and IMF) while the forecast for retail inflation is reduced to 5.2% as against 5.3% earlier.

The overall commentary is also quite positive with expectations of a broad-based growth in the economy with financial stability reflected in the rising forex reserves and current account deficit under control. Markets are reacting positively to the policy with easing of bond yield and upsurge in the interest rate sensitive stocks. We remain positive on equity markets and expect interest rate sensitive sectors like real estate, auto, banks, financials along with engineering/capital goods to lead the rally in the near-to-medium term.

Marzban Irani, CIO - Debt , LIC Mutual Fund

Post policy rates are expected to trade in the range of 7.10 to 7.30 on 10 year. Rates will be range bound as no immediate action is expected at this juncture. Rate cuts are away by six to nine months. End Dec to early next year we might see rate cuts. Till then home loan rates will remain high, FD rates similar. However mutual funds might see better performance as yields decline on assumption of rate cuts going ahead.

Abhinav Angirish, Founder, Investonline.in

During its semi-monthly review of monetary policy, which took place on Thursday, the Reserve Bank of India (RBI) opted to maintain the repo rate at its previous level of 6.50 per cent. After increasing the repo rate by 250 basis points since May of last year to bring inflation within its tolerance limit, the Reserve Bank of India (RBI) paused its repo rate increases to assess its progress thus far, sending a positive signal to the real estate market and prospective homeowners.

There will be a collective sigh of relief from homeowners at this news, since they have been feeling the strain of increased interest rates and longer loan terms. This is good news for real estate sector as a whole which was reeling under pressure of rate hikes.

The vast majority of those involved in the money markets anticipated that the banks regulator would increase the rate by 25 basis points today and then suspend further increases. Investors in mutual funds, particularly those who invest in debt funds, can, nevertheless, anticipate stronger returns as a result of the MPC's market shock.

Debt funds typically suffer losses when interest rates rise. Due to the inverse relationship between bond yields and prices, bond prices decline as interest rates rise. In other words, when rates are rising, debt mutual funds give meagre returns. The rewards are higher when the central bank keeps or lowers rates.

Long-term investors should avoid risky asset classes and instead focus on liquid, extremely short duration, low duration funds, etc. Investors should remember that their allocation should always be determined by their long-term objectives and time horizon. If investors are willing to take the risk and participate in the length game, then they should invest in long-term funds.

Despite RBI maintaining the repo rate, the increase over the past 11 months has totalled 2.5%. A year ago, FD investors were facing one of the lowest interest rates on FDs seen in the last two decades; now, they are hoping to reap the rewards of all the recent large repo rate hikes by earning higher returns on their bank FDs.

Higher interest rates are only available for medium-term FD terms of one to three years from the banks that are offering them. When it comes to terms longer than 5 years, many of the institutions give their best rates to retirees, but not to the more general public.

The cycle of repo rate hikes may seem like it has come to an end, but the increase in FD interest rates may go on for a while longer. Even if the repo rate has gone up, not all banks have increased their FD interest rates to match. Banks will need some time to boost rates further. More concrete guidance will be provided by the next monetary policy, which is due for June of this year.

Ashok Kadsur: Co-Founder, SignDesk

Keeping the repo rate unchanged is a welcome move as it will have a positive impact on home buyers & fixed deposit investors. We can also expect an increase in balance transactions in the real estate sector, which will strengthen the sector & create more opportunities for growth. Overall, this is a step in the right direction in terms of helping manage inflation and easing pressures on homebuyers.

Rakesh Reddy, Director, Aparna Constructions and Estates Pvt

The RBI’s decision to keep the repo rate unchanged at 6.5 per cent was unexpected, but maintaining the status quo is a positive sign and will provide much needed support to the real estate sector. Undoubtedly, a further reduction in interest rates would have been the preferred course of action to bolster overall market confidence.

However, it is imperative to exercise a measured approach during this period in order to pave the way for sustainable economic growth and stability in the long run. Given the current global environment characterized by uncertainty and persistent inflationary risks, it would be prudent for the RBI to maintain the option of implementing further monetary policy tightening in the future, should the need arise.

Maintaining the status quo is especially critical during periods of economic uncertainty as an increase in the interest rate would have adversely affected housing demand and derailed momentum. This presents an extended opportunity for homebuyers who can take advantage of attractive home loan rates. This indicates that lending rates are not expected to increase from current levels for the foreseeable future. As a result, this is expected to trigger the homebuying sentiment in the market.

Notwithstanding the current level of inflation, it is probable that there will be a downward trend in the future, especially since monetary policy updates can lag up to 1 year before they affect the real economy. Consequently, it is unlikely that the RBI will have to undertake any further rate hikes in the year 2023. We expect a continuation of existing policy rates throughout 2023 and hoping that the RBI will continue to take positive steps to capitalise on the renewed growth of the sector and make it more enticing for home buyers.

Overall, the decision will have a positive impact on the real estate sector as the cost of financing for both developers and home buyers will not increase.

Siddhart Goel, Head of Research, Magicbricks

The decision of the Reserve Bank of India to maintain the Repo Rate is anticipated to yield a favorable impact on the real estate market. This measure is likely to provide much-needed relief to homebuyers who have been adversely affected by inflation and increasing interest rates or loan tenures.

Currently, the demand for residential properties remains robust in metropolitan areas as well as in emerging real estate growth centers like Chandigarh, Nagpur, Coimbatore, and others. According to the Magicbricks Propindex report (Jan-Mar 2023), residential demand increased 14.2% YoY and considering these dynamics, we posit that this decision is likely to bolster the sentiment for property-buying and contribute to the expansion of the real estate sector.

Shrey Jain Co-Founder & CEO at SAS Online

India is probably one of the first nations to have a change in stance and go ahead with rate pause. Amid the global banking crisis and emerging recessionary fears, this signifies India is well positioned in comparison to its peers.

This repo rate pause comes after six hikes in a row. It means that they have decided to maintain the current level of interest rates at which banks can borrow from the RBI. Rate pause will definitely support growth across sectors, especially real estate.

Residential real estate especially in the mid and low-income level category will get a breather as this segment is quite sensitive to interest rates. Not only do higher interest rates discourage home buyers they also lead to increased borrowing costs for developers thus impacting project costs.

As the repo rate remains unchanged, commercial banks may also keep their lending and deposit rates relatively stable. Fixed Deposit rates may remain unchanged or may see only minor adjustments. We may be at the peak of the interest rate cycle and investors can look at locking it long term debt at these rates.

Edul Patel, Co-founder and CEO at Mudrex

The repo rate is the interest rate at which the RBI lends money to commercial banks. When hiked, it increases borrowing costs for banks and can lead to higher interest rates for consumers. The RBI's decision to keep the repo rate unchanged is good news, as interest rates on loans will likely remain stable for now. This decision indicates that the RBI is taking a cautious approach to managing inflation and economic growth.

It also suggests that the RBI is confident that the current economic conditions are stable enough to support the decision to keep the repo rate unchanged. Overall, the decision to keep the repo rate unchanged is a positive development for home buyers and investors, as it provides them with some stability and predictability regarding interest rates on loans.

Ameet Venkeshwar, Business Head, LoanTap

People should be watchful as it is still not sure if RBI has reached the optimal rate. Repo rate is currently restrained but another 25 bps is still on the cards. This may happen any time in the next 1 or 2 months. Home buyers must consider this while taking loans as a 25bps increase can increase the loan tenure by up to 2 years. If this doesn’t change then fixed deposit rate also might not change further. In real estate, again buyers should be watchful as it's not sure if it has reached the optimal pricing.

Harsh Gahlaut, CEO, FinEdge

The RBI sprung somewhat of a surprise by keeping key rates unchanged, against the consensus view of a 25-bps hike. This hints at the regulator's long-term focus on economic growth, which bodes well for equity investors.

Bond Markets reacted positively to the development with the yield on the 10-year G Sec promptly falling by 10 bps to 7.17%. Since inflation seems to be under control and we appear to be nearing the terminal interest rates for this hike cycle, this is a good sign for debt funds which could deliver FD+ returns over the next 2-3 years after a protracted slump. If rate hikes go on a pause for the medium term, Fixed Deposit rates are unlikely to go up significantly from current levels.

Homebuyers should not base their decision to take up a loan or not based on these events, because home loan rates are reset periodically and will go through multiple cycles over the course of a 15-25 year period. So, there is really no point in trying to "time" a home loan per se!

Broadly speaking, equities are at attractive valuations and with limited headroom for further rate hikes, we could see both equity and debt mutual funds doing well from here on. Investors would be better off continuing to investing systematically in both asset classes basis the tenor of their financial goals instead of trying to adjust their asset allocation based on these events.

Rajeev Yadav, MD and CEO at Fincare SFB

The Reserve Bank of India (RBI) has decided to maintain an accommodating stance and keep the repo rate at 6.5%. Homebuyers may benefit from stable home loan interest rates, but fixed deposits investors may not experience an immediate increase in interest rates. The real estate industry may benefit from home loan rates being held. Since the rate pause is only for April, stakeholders need to continue to monitor changes that might have an effect on the market in the future.

Kishore Reddy, CMD, MANA Projects

The decision to maintain the repo rate is likely to have a positive impact on homebuyers as it means that interest rates will remain unchanged. This can lead to a growing optimism in the real estate market as there will be a sense of relief, particularly for mid-range and luxury housing sectors, with an expected increased demand and growth.

However, given the start of the new financial year, this presents an opportune time for investors to plan and take investment decisions, particularly in the real estate sector. With stable home loan rates, potential homebuyers are likely to be more confident in taking the step towards investing in luxurious real estate projects, which could yield substantial returns in the long run."

Ashwani Awasthi, Managing Director - South Asia, RICS

RBI’s decision to take a pause and keep the repo rate unchanged is a very welcome move for the home buyers and the real estate sector. The real estate sector which had seen a robust growth in sales post pandemic was also facing over 30 percent increase in the cost of construction from pre-pandemic levels. While they were able to pass on 4 to 12 percent of the increased cost to the buyers by increasing the sales price but were still absorbing majority of the cost to keep the sales momentum going. Keeping the rates unchanged will surely help maintaining the sales momentum and preventing any slowdown in the real estate market.

Sumeet Srivastava, Founder & CEO, spocto (a Yubi company)

While the RBI's decision to keep the repo rate unchanged is unlikely to have an immediate impact on homebuyers, it does offer some stability to the real estate sector. The Government's efforts to boost economic growth, could help improve sentiment in the market."

Regarding fixed deposit investors and debt mutual funds, it's important to note that interest rates are just one of many factors that determine their returns. Other factors, such as inflation and market conditions, also play a role. It's always wise to consult a financial advisor and diversify your investments to mitigate risk.

Overall, the RBI's decision is a positive economic development and could help bolster the real estate sector in the long run.

Anoop Kumar Bhargava, Chief Executive officer and Director at Empire Centrum

For homebuyers, the unchanged repo rate means that the cost of borrowing for home loans is likely to remain stable in the near term. This could provide some relief to homebuyers who have been struggling with high property prices and rising interest rates over the past few years. However, if inflation remains high, the RBI may need to increase the repo rate in the future, which could lead to higher interest rates on home loans.

On the other hand, for the real estate sector, the RBI's decision is likely to be a mixed bag. The stable interest rates could help boost demand for housing and support the overall real estate market. On the other hand, the real estate sector is facing other challenges such as oversupply, high inventory levels, and the impact of the pandemic on the economy. These factors could limit the growth potential of the sector in the near term.

Overall, while the RBI's decision to keep the repo rate unchanged may provide some short-term relief to homebuyers, the real estate sector is likely to face continued challenges in the near future. It is important for homebuyers and real estate developers to stay informed about the latest trends and developments in the market to make informed decisions.

V P Singh, Director - PGDM & Professor - Managerial Economics & Statistics, Great Lakes Institute of Management

Rising home loan interest rates had dampened the home buying spirit to some extent. This halt is a sign of softening of interest rate in future. It’s a respite for home developers as well as the home buyers. Home developers can expect better margins. Real estate firms will benefit significantly. Home demand triggers demand for cement, furniture, cables, power, home Equipments and what not! Investment in the economy will pick up. Fixed deposit investors were already unhappy given the interest income versus inflation situation. Now, an unchanged repo rate is a sign of expectations of falling inflation and that should bring cheer to them.

Rising interest rate is a bane for current bond holders and debt MF investors. So, no increase is a good news for them too.

Dinesh Bansal, Chairman UK Realty

It was crucial for the RBI to maintain its cautious approach given the escalating effects of the financial instability and global banking stress. We appreciate the RBI's decision to stop hikes in interest rates and diverge from the global tightening trend. We concur with the central bank's assessment that the system should be allowed to absorb the lag effects of previous rate rises rather than having demand stifled by additional rate increases.

Since this move has been taken at the start of the new financial year, we anticipate positive sentiments in the real estate sector with continued growth. Now, the potential homebuyers will be urged to finalize their purchase decisions boosting the sales especially in the aspirational category.

Pratik Kataria, Director of Sainath Developers

Undeniably, the performance of the housing market is largely determined by interest rates and home prices. The flat buyers who have zeroed in on the purchase of their real estate asset will be encouraged to execute the purchase of their asset at encouraging interest rates on home loans, which is a very welcome move by the RBI to keep the repo rates unchanged.

While buying a home the consumer takes multiple factors into account as in India is not only considered as an investment but also plays a sentimental value and is considered as a symbol of affluence in our society. Hence, when a buyer decides to buy a house, they plan it for years before committing to it. Additionally, factors like offers from developers, reduced documentation with the help of tech, quick home loan approvals and tax relaxation by the Government play a crucial role in the times to come for the sector.

Ashok Singh Jaunapuria, Managing Director and CEO of SS Group India

Homebuyers: The decision to keep the repo rate unchanged means that the cost of borrowing for banks will remain stable. This could lead to stable or slightly lower interest rates on home loans for buyers, making it an ideal time to invest in real estate. However, it's essential to note that many other factors also affect the real estate market, such as demand, supply, and economic conditions.

Fixed deposit investors: Fixed deposit investors may not see any significant changes in their returns, as interest rates are expected to remain stable in the short term. However, as economic conditions improve, interest rates may rise, leading to higher returns for fixed deposit investors.

Debt mutual funds: Debt mutual funds invest in fixed-income securities such as government bonds, corporate bonds, and money market instruments. The decision to keep the repo rate unchanged could lead to stable or slightly lower returns for debt mutual funds. However, the fund's performance also depends on the fund manager's ability to pick the right securities and manage risks.

Real estate sector: The real estate sector could benefit from stable or slightly lower interest rates on home loans. This could lead to increased demand for housing, which could boost sales and prices in the sector. However, it's essential to note that other factors also impact the real estate sector, such as regulatory changes and economic conditions.

Overall, the RBI's decision to keep the repo rate unchanged could have a positive impact on the economy, as it provides stability and certainty to various sectors. However, it's essential to keep an eye on other factors that can impact these sectors in the short and long term.

Binitha Dalal, Founder and Managing Partner, Mt K Kapital

The RBI's Monetary Policy Committee (MPC) has opted to maintain the policy repo rate at 6.50%, as well as other policy rates. The governor's bold decision to pause interest rates amidst a global trend of increasing rates is a strong show of support for India's growth trajectory. The stable interest rates are expected to drive growth in the real estate sector, as they will help maintain sales and keep interest cost on real estate development in check. Furthermore, recent changes to capital gains on debt mutual funds have led to an increase in deposits in FDs and AIFs, which should improve credit flow to the sector. FD rates are currently at an all-time high, and investors are choosing to park their money in banks as a safer choice of investment.

Overall, the governor's decision is supportive of India's ambition to become the world's third-largest economy and reflects a commitment to India's growth story. This move is likely to attract foreign investment and encourage companies to set up operations in India for both manufacturing and services.

Chetan Patel, Director, Gurukrupa Group

RBI keeping the rates unchanged this time is a positive move and will definitely have a positive impact on home buyers sentiments. This will assist the banks to not increase the home loan rates which are currently around 8.75 to 9%. We have witnessed continuous increase in repo rates in the last one year which in turn impacts the home loan rates, as it becomes expensive with each increase. It had negatively impacted the home buyer sentiments as they were waiting for home loan rates to be stabilized. Even the existing home loan customers were in a spot of bother. Due to hike in the repo rates their loan tenure keeps on increasing and in some cases the EMIs have gone up.

Angad Bedi, Managing Director, BCD Group

Even though industry experts were of the view that the RBI would hike repo rate by up to 25 basis point in the first bi-monthly policy of the current fiscal, the MPC has given the real estate sector a pleasant surprise by hitting a pause button on the expected rate hike. The move not only comes as a breather for borrowers but also for the developer community that has been reeling under the combined pressure of an increase in prices of building materials amid a drastic jump in lending rates. The RBI is an indication the banking regulator is willing to walk the extra mile to support growth.

Sankey Prasad, CMD, Colliers India

RBI has taken a bold step in keeping the repo rate unchanged at 6.5%, backed by the country's macroeconomic resilience and strong financial markets. Today's decision will further help boost demand in residential real estate, the economy's growth engine.

India's residential markets have maintained noted 15-year high sales maintaining their trajectory in the first quarter of 2023. This will bring in a new wave of optimism amongst home buyers resulting in higher property sales.

Likhita Darshan, Vice President - Marketing & Customer Experience, Vaishnavi Group

RBI's decision to maintain the status quo on the policy rate comes as a major relief for homebuyers who have seen their EMI swelling up by up to 17% as compared to April 2022.

In the residential real estate segment, buyer sentiment has continued to be robust and this has resulted in home sales showing an appreciable rate of growth.

With the apex bank maintaining lending rates this time around, this positive sentiment would get a further boost, reflected in improved sales traction and a healthy pipeline of supply in the ongoing quarter.

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RBI SIGNALS POSSIBLE EXTENDED PAUSE IN INTEREST RATES, BUT NO IMMINENT CUT LIKELY

The stance of the policy continues to favour "withdrawal of accommodation", clearly implying that the RBI will be back on a rate hiking track if there are any nasty surprises to the anticipated softening trend of Headline CPI.

APRIL 11, 2023 / 06:35 AM IST

Indranil Pan, Chief Economist at Yes Bank

The monetary policy of the RBI judiciously weighs the evolving landscape of rapidly changing global winds with regard to Advance Economy Central Banks' policy withdrawals and global financial market stability risks alongside the domestic growth-inflation mix.

Further, most RBI watchers, including us was looking at how the RBI will not be able to pause, given the two adverse 6 percent+ Headline CPI inflation prints. It was surely a Hobson’s choice for the RBI. That the decision to pause was made with full unanimity probably highlights the commonality of thoughts of the MPC members in weighing the factors for a hike v/s a pause.

Akin to the policy statement of February, the policy commentary this time also exhibited relatively greater comfort with respect to the growth outlook than the inflation outlook. Indeed, there has been a slight bump up in the growth projection for FY24 to 6.5 percent, from the earlier 6.4 percent. Importantly, this is an even more robust an outlook than most market economists (Yes Bank is at 6.2 percent).

On the other hand, even as inflation is expected to come down, a host of risks continue to be highlighted. Most crucially, the disinflation process is expected to be “gradual and protracted”, with core inflation being on rather rigid ground.

No doubt, the market knew that the RBI was close to the end of its hiking cycle and hence the market was slightly divided on its predictions. The surprise element of this policy is slightly reduced when one considers that any Central Banker should be forward-looking, rather than backward-looking. But the question was, would RBI take the risk after having seen Headline inflation jumping sharply in the previous two readings?

A reason for the pause possibly can be found in the future inflation projections of the RBI. While the near-term Headline CPI projection has been raised by 10 bps, four quarters ahead Headline CPI projection has been reduced by 40 bps to 5.2 percent. This opens an additional 40 bps space on the positive side for real rates than before, hence reducing the need to raise the policy rate and achieve the same.

There appears to be little risk for the global banking sector developments to filter into India. First, for now, the banking sector woes seem to have been contained. Second, the claims of Indian banks on the global banking system appear to be low. With risks to the domestic financial sector being on the lower side and with growth relatively in a stable zone, the principal focus of the RBI will be that of containing inflation.

Our own model also predicts that Headline CPI inflation will come off in the months ahead and will be within the targeting band through FY24, even as the 4 percent central line will be missed. Importantly, with many risks around the inflation outlook, the RBI wants to see a “durable decline in inflation closer to the target”. Further, the RBI wanted to be sure that it was not overtightening and negatively impacting growth. Thus, it says that it is now necessary to “evaluate the cumulative impact…” of the 290bps increase in the interest rates (250bps repo rate increase + 40 bps of adjustment of the reverse repo rate ahead of the repo hiking cycle).

Addressing the press conference, Governor Das this is a “pause and not a pivot”. The stance of the policy continues to favour “withdrawal of accommodation”, clearly implying that the RBI will be back on a rate-hiking track if there are any nasty surprises to the anticipated softening trend of Headline CPI. The message to the market is also crystal clear – there is no imminent cut being signaled and probably the best-case situation now is an extended pause in rates.

Benchmark 10-year G-sec yield took today’s action positivity and yields initially moved to 7.18 percent but have stabilized at 7.20 percent at the time of writing. For now, as a reaction to this policy, 10-year benchmark yields are likely to remain in a tight range of 7.15-7.25 percent. However, we do not rule out any upside bias as liquidity continues to stay tight and supplies start with full earnest.

7. E P F – SPECIAL

EPFO: HERE’S A LIST OF 6 IMPORTANT EPF CLAIM FORMS FOR DIFFERENT NEEDS

Check out the list of Employees' Provident Fund Organisation (EPFO) forms for different requirements.

Reported By:| Edited By: DNA Web Team |Source: DNA Web Desk |Updated: Apr 10, 2023, 07:44 AM IST

The Employees' Provident Fund Organisation (EPFO), the organisation responsible for managing retirement funds in India, offers three social security programmes to its members: the Employees' Provident Fund (EPF), a pension plan, and an insurance programme for employees. These three, which are governed by the EPF Plan of 1952, the Pension System of 1995 (EPS), and the Insurance Scheme of 1976 (EDLI), provide for the needs of its members in full.

Here's a list of 6 most essential EPF claim forms one must know about:

1. Form 10C: You can use this form to withdraw funds from your employer's contribution n the EPS scheme.
2. Form 10D: You can use this form to avail monthly pension.
3. Form 31: This form is used to acquire loans and withdrawals from your EPF account.
4. Form 13: This form allows you to transfer your fund from one job to another. It ensures that your funds are in a specific place and not shattered.
5. Form 20: By using this form your family member or nominee can obtain PF funds in case of an employee's death and it's applicable even if your employment has been shorter than 10 years.
6. Form 51F: Form 51F can be used by your nominee to claim the Insurance benefits of the Employees' Deposit linked insurance.

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8. ECONOMYC UPDATES

INDIA MORE RESILIENT THAN MANY ECONOMIES'

Parekh said India has enough tailwinds with political stability, vaccine, food security, a domestic consumption-based economy, digitisation initiatives and a robust regulatory system for fin sector.

Published: 09th April 2023 11:41 AM

NEW DELHI: Global headwinds are likely to slow down India's GDP growth, but the country is more resilient than many large economies, HDFC chairman Deepak Parekh said on Saturday. Speaking at SPJIMR's Centre for Family Business and Entrepreneurship event, Parekh said India has enough tailwinds with political stability, vaccine and food security, a domestic consumption-based economy, digitisation initiatives and a robust regulatory system for financial sector.

"India is not immune to the global shocks but has proved to be more resilient than many large economies. India's GDP growth will slow down due to global headwinds," he said. For start-ups, he said, "many investors still have plenty of dry powder for good, innovative ideas, but the days of cash burn and high valuations are behind us".

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9. MINING AND CONSTRUCTION SECTOR

CONSTRUCTION EQUIPMENT INDUSTRY GROWS BY 25% IN FY2023, COULD RISE 15-20% IN FY2024

Speedy road and infrastructure development across the country, driven by the massive governmental spend as well as private sector programmes, power CE industry growth.

10 Apr 2023

The Indian construction equipment (CE) industry, which aspires to become the world's second largest by 2030, is believed to have grown by 25% year on year in FY2023, surpassing 100,000-unit sales for the second year in a row.

The main reason for this smart rise in the industry's fortunes is the sharp increase in road and infrastructure construction activity across the country, driven by the massive governmental spend as well as private sector programmes.

The current and future project pipeline is expected to enable the CE sector achieve 15-20% growth year-on-year growth in FY2024 before declining sharply to flat growth and even -10% in FY2025, following the general elections.

Speaking to *Autocar Professional*, Dimitrov Krishnan, MD, Volvo Construction Equipment (India), and current President of the Indian Construction Equipment Manufacturers' Association (ICEMA), which represents over 90 companies, said that since November-December 2022, when road building activity started to pick up speed, there has been a lot of demand for related CE equipment.

He expects the average pace of road construction to have recorded more than 30km per day in FY2023. In February, when road work was in high gear, the industry was averaging 40km every day. While the government is yet to release official data on road construction for the last fiscal, ICEMA is likely to release industry growth numbers later this month.

Dimitrov Krishnan, MD, Volvo Construction Equipment (India): "The pickup in road construction has come as good relief for the CE industry."

This pace of road construction work and resultant YoY growth has undoubtedly strengthened market sentiment, following a particularly weak performance in first-half FY2023. And the average of 30km new roads per day in FY2023 is far better than the 19km/day in FY2022, albeit less than the 32km/day in FY2021. "The pickup in road construction has come as good relief for the industry," remarked Dimitrov.

Meanwhile, the ongoing boom in both new projects in the commercial and residential real estate sector continues to a strong driver of growth in the CE industry, leading to increased demand for heavy-duty trucks. Vehicle offtake from the mining industry is also on the upswing.

Dimitrov though is cautious about near-term growth for the industry. With general elections to be held in India in mid-2024, he says the CE industry's growth cycle is likely to slow down in FY2025. Typically, this sector witnesses a slowdown in the fiscal year following elections and the CE industry, having fared extremely well in FY2023 and likely to do so also in FY2024, could see flat growth or even go negative to the tune of 10% in FY2025.

CHENNAI’S 20-YEAR DEVELOPMENT ROADMAP: CMDA'S THIRD MASTERPLAN TO BE RELEASED BY 2025

*by**Ankit Saxena**-Apr 10, 2023 05:45 PM +05:30 IST*

The masterplan will focus on smart and sustainable urban growth for Chennai.

Snapshot

- *The comprehensive plan aims to address issues such as transport and infrastructure in order to make the city a progressive, inclusive and global city.*

Urban planning experts and residents alike have emphasised the importance of including diverse stakeholder perspectives and considering input from all residents and social groups.

The Chennai Metropolitan Development Authority (CMDA) is currently working on preparing the vision document for the third masterplan (2026-2046) for the Chennai Metropolitan Area — covering an area of 1,189 sq km.

The comprehensive plan aims to address issues such as transport and infrastructure in order to make the city a progressive, inclusive and global city.

The Chief Minister of Tamil Nadu, M K Stalin, is expected to release the document by December 2025, according to P K Sekar Babu, the Minister for CMDA.

The minister also added that North Chennai might be one of the focuses through the 20-year masterplan, as per a *Times of India* report.

The CMDA aims to proceed with the vision document through a participatory approach which will encompass a holistic, environmentally sustainable, economically vibrant and inclusive development in Chennai Metropolitan Area (CMA).

It is hoped that the document will help to create a cleaner, greener, and healthier city, with a focus on smart and sustainable urban growth.

A city masterplan is a blueprint that guides the future growth and development of a city. It encompasses various elements such as land use zoning, buildings, civic infrastructure, transportation, and social settings.

The process of creating a masterplan includes analysis and proposals based on the unique characteristics of the region.

In order to ensure an inclusive planning process, the CMDA has implemented QR code boards in public locations throughout the city to gather feedback on the third masterplan and the future of Chennai.

The QR code system allows residents to scan and respond to a set of 14 questions divided into categories such as housing, quality of life, recreation, environment, economy, investment attractiveness, and their vision of the future image of the city.

Urban planning experts and residents have emphasised the importance of including diverse stakeholder perspectives and considering input from all residents and social groups.

At first, the CMDA hired a consultant to conduct public meetings in all 29 zones within the Chennai Metropolitan area, but due to insufficient participation, officials were instructed to engage with the public directly.

As a result, officials have been arranging vision survey campaigns in various public spaces.

"In the last four months, CMDA has been working on creating the vision document. Our government wants full public participation in the initiative, we want residents' views in creating the city for them. As of now, we have 17,000 responses and we expect a minimum of 50,000 responses," said Sekar Babu, as per the *TOI* report.

The creation of the third masterplan for Chennai will act as a substantial roadmap in enhancing the city's infrastructure and tackling critical challenges like transportation, environment, and urban growth.

In an earlier development, the state government also notified the several surrounding villages for its proposed development into new towns, as part of Chennai Metropolitan expansion plan.

GROWTH AND OPPORTUNITIES IN INDIA'S DEFENSE MANUFACTURING INDUSTRY

In conversation with Arun Ramchandani, Executive VP & Head- Defence IC, Larsen & Toubro

April 10, 2023

India's Defense Manufacturing Sector: What are the challenges and opportunities?
The Defence Engineering business does not manufacture any explosives nor ammunition of any kind, including cluster munitions or anti-personnel landmines or nuclear weapons or components for such munitions. The business also does not customise any delivery systems for such munitions.

The Indian Defence Manufacturing Sector is ahead of the inflexion point after substantial evolutions in acquisition policies and procedures. A few significant initiatives include priority to procurement of capital items of Buy Indian (IDDM) category from domestic sources under Defence Acquisition Procedure (DAP)-2020.

Capital Acquisitions over the Long Term Integrated Perspective Plan (LTIPP) (2012-27) is estimated at INR 22.5 tr, with over 4 tr opportunity for domestic industry in the period 2022-27. The Government has granted Acceptance of Necessity (AoN) for Capital Acquisition in FY23 for over Rs 2.71 lakh crore, out of which 99% of the procurement will be sourced from Indian industries in the coming years. There is a larger impetus on exports, Government has targeted exports of USD 5 bil by 2025 in Defence Sector. (~ USD 2 bil achieved in FY23 till date)

A K9 Vajra at Republic Day Parade rehearsal in New Delhi.

While the above represent significant opportunities for the Defence Manufacturing Industry, attention is required on implementation of the same in true intent and spirit to facilitate growth of the Industry and to become truly Aatmanirbhar in Defence. Simplification and speeding up of the acquisition process and implementation of Quality Cum Cost Based Selection (QCBS) in

Defence Acquisition are critically required for achieving success. For building platforms comprising of system of systems we need to accelerate Make Projects and help building Industry's own IP. Self-reliance in Defence product development would be accelerated by incentivizing higher indigenous content and implementing the policy intent of providing 25% of Defence R&D budget for Industry.

Few challenges that the Defence manufacturing sector continue to face is high cost of capital for investments in advanced manufacturing infrastructure, huge investments required in R&D, stringent and cumbersome quality requirements, long gestation periods for contract realisation and lack of continuity in orders.

What is the need to focus on indigenous production? And what factors are favourable to domestic defense production?
India is one of the largest arms importers in the world, accounting for 11% of the total arms sales globally. Producing these requirements locally will not only achieve self-reliance in National Security but also provide huge employment and a significant multiplier to the domestic economy as work will flow down from the product OEMs to lower tiers of production. Any equipment indigenised will have the Know-how, Design and IP in the country and reduces external dependency for the upgrade and maintenance of the equipment thereby reducing the life cycle costs significantly. The ongoing geo political turmoil and conflicts has further emphasised the importance of indigenous production as external dependency reduces strategic autonomy.

The greatest favourable factor is the Government's commitment to procure defence equipment from domestic industry. The planned Defence Capital Acquisitions are to the tune of Rs.15 Lakh Crore over the next decade and has a vision to enhance defence indigenisation from current levels of 35-40% to 70-75%. 75% of the Capital procurement budget (~ 1 Lakh Crs.) will be earmarked for domestic industry in 2023-24, up from 68% in 2022-23.

A strong MSME sector, a large technical manpower base and improving infrastructure and logistics in the country would also serve as enabling factors for domestic defence production.

What steps have been taken by the Government for the sector?
The Government has implemented several policy reforms and initiatives to promote indigenous production, The Government has released four Positive Indigenization Lists of over 411 items and three 'Positive Indigenization Lists' of over 3738 items of Defence Public Sector Undertakings (DPSUs), for which

there would be an embargo on the import beyond the timelines indicated in the lists.

The Government has also worked towards enhancing Defence testing Infrastructure and making available Government test facilities for domestic industry, launched Innovations for Defence Excellence (iDEX) scheme by involving Start-ups & Micro, Small and Medium Enterprises (MSMEs) and launched an indigenization portal namely SRIJAN to facilitate supply of indigenously manufactured items to DPSUs by domestic Industry players including MSMEs

What is the role of Private Participation in Defence Manufacturing?
Historically, India's defence production was mainly controlled by the public sector, with limited participation from private players. However, in recent years, the Indian government has taken several steps to encourage private sector participation in the defence industry. Today the Private Sector plays a significant role in defence manufacturing. Large industrial houses such as Tata and L&T have set up large facilities and capabilities in building contemporary defence platforms, systems and equipment. These larger OEMs are supported by a network of MSMEs that form part of their supply chain and are a critical element of the private defence manufacturing ecosystem. This system is complemented by a number of innovative and entrepreneurial start-ups that bring in innovation and new technology ideas into the ecosystem.

The private participation in defence sector has contributed immensely for defence manufacturing and noteworthy contributions are it has bought in Increased Competitiveness**,** despite Private Sector participants carry the load of depreciation & interest on recent investment in defence manufacturing infrastructure, their participation in defence manufacturing in India has brought about increased competition in the industry by bringing in innovation, operational efficiency and cost-effective solutions. This competition has forced the public sector companies to be more cost competitive, **Technology Enhancement** through bringing in contemporary technologies, by way of collaborations with foreign firms to access cutting-edge technologies as well as through in-house R&D which has helped India in its quest for self-reliance in defence manufacturing, **Increased Production Capacity** with their investment and expertise, private players have helped in setting up new and modern production facilities with Industry 4.0 enablement, thereby increasing the output of the sector, **Employment Generation**, through creation of new jobs and employment opportunities in the country. This has helped in increasing the contribution of the defence industry to the national economy and **Indigenisation** by bringing in technical expertise and in-house R&D, private players have been able to develop and manufacture defence equipment and systems locally, reducing India's dependence on imports.

The Indian government has taken several steps to encourage private sector participation in the defence industry, and this is expected to continue in the coming years.

What is the way forward?
The government should continue to provide thrust on self-reliance by focusing on system of systems & platforms Development under Make 1 (Government funded development programs), building capabilities in design & technology development (IP Ownership), Departure from dependence on Govt. Owned organization for Design, Development, Production, ToT, Develop indigenous Defence solutions through maturing Indian industry – supported by Govt. for development & hand-held by the user and implementation of Merit based selection of Development Partner

In order to create a robust Defence Industrial Base the government can support by way of providing PLI schemes, Capital subsidies for investment in defence technology and manufacturing infrastructure, enhancement of defence testing infrastructure. Availability of highly-skilled workforce, creation of science & engineering infrastructure and imbibing Cultural factors with a focus on high quality will also foster the defence manufacturing ecosystem.

To promote R&D in Defence, government can incentivise investments in R&D through tax benefits, ensuring 25% of Government Defence R&D fund flowing to Industry, Start-ups & academy and providing supportive IP regimes. The acquisition process can be made faster and simplified by setting up of a professional Procurement Wing in MoD Acquisition, implementation of QCBS process and ensuring Time bound acquisition process with accountability for delays.

Can you provide an overview of L&T's role in the defence industry, and how it has evolved over time?
Larsen & Toubro (L&T) is the leading private sector player in the Indian defence industry with a significant presence in various segments of defence manufacturing and services. The company has been involved in defence production from 1980's and has been working closely with the Indian

government and the Armed Forces to design, develop, and manufacture a wide range of defence products.

L&T’s role in the defence industry includes designing and manufacturing armoured vehicles, artillery guns, rockets, missile systems, radars, electronic warfare systems, communication systems, and naval equipment, among others. The company has also played a crucial role in building naval ships and submarines for the Indian Navy.

In addition to its manufacturing capabilities, L&T also provides through life support for its various defence products. The company has significant investment in in-house R&D and has developed over 100 defence products through its own development efforts or by working together with DRDO.

Overall, L&T’s strong focus on research and development, as well as its close partnerships with the Indian Armed Forces and international defence companies, have helped it establish itself as a leading player in the Indian defence industry.

What are some of the challenges and considerations when designing and manufacturing defense and aerospace products, and how do you address them?
Clarity of user requirements, understanding of user deployment needs, technology shifts and product obsolescence are some of the challenges in designing defence equipment and systems. Rigid acquisition processes and lack of funding don’t permit a spiral development approach by which domestic industry can develop reliable defence equipment as it happens in many advanced countries. To be future ready for evolving role of disruptive technologies in warfare requires extensive collaboration between users, industry and researchers. and incentivizing R&D spend by the industry. Availability of a resolute supply chain by way of supportive environment for a MSME ecosystem through easier & cheaper access to capital and human skilling infrastructure is also a challenge.

At L&T we overcome these challenges by close interaction with User agencies, relying on simulation and digital techniques, working collaboratively with DRDO and supporting and developing a strong supply chain base.

Go to Top

12. SCRAP GENERAL

KERALA GOVT TO EXEMPT KSRTC FROM VEHICLE SCRAPPAGE POLICY, OLD BUSES WILL CONTINUE SERVICES 08 APRIL 2023, 01:46 PM IST 1 MIN READ READ LATER PRINT S...

Read more at: https://english.mathrubhumi.com/news/kerala/kerala-govt-to-exempt-ksrtc-from-vehicle-scrappage-policy-old-buses-will-continue-services-1.8461918

INTERNATIONAL

H Auto Supply Chain

EXAMPLES OF TRANSFORMATION

SUPPLY CHAIN

Speed bumps with & lessons to be learned from the automotive-manufacturing supply chain

April 11, 2023

"Not only is the product inherently complex, but some OEMs offer feature variants that multiply to the billions the number of possible unique vehicle configurations."

Chris McNamara

By Chris McNamara, Smart Industry editor in chief

The automotive industry is using smart manufacturing practices to eliminate supply chain issues and other obstacles to make smarter vehicles a reality. Perhaps you own one. These wins are particularly laudable, given current manufacturing challenges including economic uncertainty, expensive and scarce talent, and continued supply chain problems.

So what is unique about supply-chain issues with the automotive industry? And what can the rest of us learn from successful strategists in this space? Here we chat with Laurent Becher, Deloitte Consulting LLP, to find answers.

Smart Industry: What is unique about supply chain disruption within the auto industry?

Laurent: Cars and trucks are some of the most complex consumer products mass-produced: thousands of parts, components and complex sub-systems are assembled every minute. Not only is the product inherently complex, but some OEMs offer options and feature variants that multiply to the billions the number of possible unique vehicle configurations.

Many of these complex components and subsystems go through several tiers of suppliers before reaching the automotive OEMs. Cost pressures have resulted in many of these tiers being overseas. Capability specialization has also resulted in unique sources for some of the materials and components. OEMs have also taken just-in-time approaches to part fulfillment to limit the cost of inventory and strapped cash. The combination of an intricate product, complex multi-tiered supply chain, insufficiently multi-sourced materials and limited on-hand inventory has exposed automotive OEMs—more than others—to supply chain disruptions.

Many OEMs do not even know their supplier tiers beyond their Tier 1s; this has prevented them from monitoring and anticipating-supply disruptions. The infamous chip shortage is a good example of that.

Smart Industry: How did this industry pivot during the recent supply-chain crisis?

Laurent: Many OEMs have made complexity-reduction and supply-chain resiliency top priorities when thinking about development post-crisis. They have sought help to illuminate their supply-chain pathways, resulting in an understanding of the value chain beyond Tier 1s and, at times, all the way to the mines and sources of minerals. They also pivoted by implementing smart manufacturing technologies such as predictive-monitoring systems that can alert them of potential disruption risks.

Smart Industry: To what do you credit the auto industry's growth during recent challenges related to the economy, talent scarcity and supply-chain disruption?

Laurent: The automotive industry has seen growth in the last few years despite a number of challenges, in part due to the tremendous investments into its offerings. Not only have many added hybrid and electric vehicles to their product portfolios, some have added a multitude of value-add features for the consumer, ranging from safety to utility, infotainment, etc. Combined with pandemic-driven supply constraints, pent-up demand and the lack of stronger transportation alternatives as compared to other countries, the industry has been able to command higher prices without losing demand.

It’s also invested in automation to counter talent scarcity and create supply - resiliency capabilities to limit supply disruptions and their impact. It will be interesting to see how the future of mobility, autonomous driving, ride-sharing and remote work impact overall demand going forward. More fundamental changes to their business models will be required for automotive OEMs to continue to extend their growth.

Smart Industry: What is a prime area of growth for OEMs in this space?

Laurent: Electric vehicles are a prime area of growth, particularly as high production costs are being partially offset by government incentives, and as OEMs are leveraging the technology to offer additional value-add services to their customers. Electric vehicles also offer new business-model opportunities and sources of value-generation through battery-management services. Electric vehicles, connected technologies and emerging capabilities such as autonomous driving have the potential to fundamentally transform mobility overall and force OEMs to continue rethinking both their operating and business models.

There are already clear opportunities to leverage the product to transform the way vehicles are manufactured.

Smart Industry: How / why are auto manufacturers focusing on external disruptions? How are the savviest mitigating negative effects of external problems?

Laurent: Best-in-class OEMs are attacking the problem from several angles: on one hand, they dramatically reduce their unnecessary, excessive and unprofitable ("bad") complexity, bringing down their part variants and overall product-offering complexity from billions of possible configurations to dozens, enabling them to simplify both their raw and finished-good inventories. On the other hand, they illuminate their entire supply base, start monitoring for multiple types of disruption risk (financial, economic, environmental, etc.) and deploy risk-mitigation measures that range from structural to tactical (near or re-shoring, dual sourcing, flexible scheduling, multi-lane production strategy, etc.).

The savviest manufacturers are engineering advantage in the marketplace by investing in smart manufacturing technologies that help synthesize plant data to make faster and more informed decisions.

13. BRAZIL

BRAZIL'S AUTO PRODUCTION, SALES JUMP IN MARCH

Reuters

Mon, April 10, 2023 at 6:30 PM GMT+5:30

SAO PAULO, April 10 (Reuters) - Brazil's auto industry production rose 37.3% in March from the previous month, totaling 221,835 units, data from automakers association Anfavea showed on Monday.

Auto sales in the South American country were up 53.1% in the period to 198,974 vehicles, Anfavea added. (Reporting by Alberto Alerigi Jr.; Editing by Steven Grattan)

BRAZIL'S AUTOMOTIVE OUTPUT EXPECTED LOWER IN 2023 ON Q1 STOPPAGES

10-Apr-2023

SAO PAULO (ICIS)–Brazil's automotive production in 2023 is set to be lower than previously expected due to stoppages at eight plants in Q1 on poor demand and shortages of semiconductors, the country's automotive trade group Anfavea said on Monday.

Brazil's Q1 output in the petrochemicals-intensive automotive sector – includes passenger cars or light vehicles such as vans as well as trucks and coaches – stood at nearly 540,000 units, up 8% year on year.

However, Anfavea's president conceded the industry is struggling with poorer demand as the economy slows down as well as the persistent shortage of semiconductors.

In fact, while production of light vehicles rose strongly, up more than 11% year on year, production of trucks and coaches fell by nearly a third, a sign that companies could be cutting down on their spending as the economy slows down.

Speaking to reporters on Monday, Anfavea's president Marcio de Lima Leite said the stoppages at eight plants would mean Anfavea's annual production forecasts will be undershot by 30,000 units.

Until Monday, Anfavea was expecting Brazil's automotive production to stand at 2,421,000 units, up by 2.2% compared with 2022.

However, the new forecast disclosed this week would put 2023's production at 2,391,000 units, up 0.98% compared with the 2,367,738 units produced in 2022.

Brazil auto production	**Q1 2023**	**Q1 2022**	**Change**
Light vehicles	507,507	456,053	11.3%
Trucks	24,497	34,383	-28.8%
Coaches	4,015	5,702	-29.6%
Total	**536,019**	**496,138**	**8%**

Two automotive majors – [South Korea's Hyundai] and [US' General Motors] – confirmed to ICIS in March they had idled some of their plants to lower their stocks.

A REPEAT OF 2022

"In these first three months we had eight factory stoppages and two shift cancellations, something like the stoppages seen at the beginning of 2022," said De Lima Leite.

"The difference is that last year the reason was just the lack of components, while now there are other factors causing collective vacations, such as the cooling of demand."

While total registrations – sales – rose to 472,000 units, up 16.3% year on year, the comparison is made against the first quarter of 2022, when "cars were missing from dealerships" as manufacturers could not cater for demand due to the semiconductors shortage.

"The photograph of the moment would be worse if it weren't for the good sales for rental companies in March, 28% of the total," said Leite.

"These companies still have a considerable pent-up demand, but that won't sustain our volumes for that long unless there is a stronger reaction in retail, which depends on improvements in financing conditions, among other measures, to revive the market."

Anfavea insisted again the current 13.75% in the main financing interest rates in place in Brazil is depressing demand for vehicles, both from companies and individual consumers alike.

The automotive industry is a key consumer of petrochemicals: the sector sells around 20% of the materials it produces to automobile manufacturers.

A typical vehicle contains several chemical products such antifreeze and other fluids, catalysts, plastics, rubber tyres and hoses, upholstery fibres, coatings, and adhesives.

14. TOYOTA GLOBAL

ARE HYDROGEN FUEL-CELL CARS ON THE WAY OUT AT TOYOTA?

The Mirai and Toyota's hydrogen fuel cell passenger car ambitions seem to be dead and buried, with the automaker shifting its focus to EVs.

11 April 2023, 2:12am

Toyota has long talked up the role of **hydrogen fuel-cell vehicles** (FCEVs) in its future lineup, hinting they could one day become ubiquitous as hybrids are right now.

Those aspirations seem to be dead, with the company shifting its focus towards electric vehicles (EVs) for passenger cars, with work on fuel cells focussing on medium- and heavy-duty trucks.

Last week in his first speech as Toyota's CEO, Koji Sato said, "For FCEVs, we will pursue mass production centered on commercial vehicles".

He went on to say "we will work with business operators to promote FCEVs by starting with commercial vehicles, such as medium- to heavy-duty trucks".

The company has also begun "basic research on hydrogen engines for heavy-duty commercial vehicles last year".

He noted the key benefits for FCEVs, including much faster refuelling times, and weight savings from not requiring a massive battery pack. By shifting its focus from passenger cars to commercial vehicles, it will be theoretically easier to build out hydrogen fuelling infrastructure, as it can be concentrated at major ports, depots and transfer points.

Despite the Mirai's WLTP 650km range between refills, take up of it and other hydrogen fuel cell vehicles, such as the Hyundai Nexo, has been hampered by a lack of places to fill up with hydrogen.

The Mirai's Australian lease contract includes free hydrogen refills at Toyota's former factory in Altona, Melbourne.

It's unclear how Toyota's shift in priorities will affect its decade-long fuel cell development partnership with BMW.

While the future for passenger FCEVs is up in the air, Sato used his press conference last week to announce a headline grabbing pledge to sell 1.5 million EVs per year by 2026 and launch 10 new EVs in that same timeframe.

Considering the automaker’s small EV lineup, and the troubled rollout of the bZ4X with recalls for wheels potentially falling off, it’s a bold pronouncement to make.

Sato also outlined the company’s commitment to improving its hybrid and plug-in hybrid models, with EV range of up to 200km for the latter.

15. MALAYSIA

MALAYSIA'S IPI GROWTH IMPROVES TO 3.6% IN FEBRUARY

- Tuesday, 11 Apr 2023

KUALA LUMPUR, April 11 (Bernama) -- Malaysia's Industrial Production Index (IPI) improved to 3.6 per cent in February 2023 based on a year-on-year change against the same month in 2022, with January 2023 recording a modest 1.8 per cent growth against January 2022.

The rise by propelled by an accelerating manufacturing sector, said the Department of Statistics Malaysia (DoSM). The IPI statistics comprise three sectors, mining, manufacturing and electricity.

Chief statistician Datuk Seri Dr Mohd Uzir Mahidin said the February expansion was spearheaded by the manufacturing sector which rose by 4.9 per cent (January 2023: 1.3 per cent) and the electricity sector which rose by 1.1 per cent (January 2023: -4.3 per cent). HoweThe mining sector output declined marginally by 0.5 per cent in February 2023, after registering positive growth for eight consecutive months.

MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

BANCI EKONOMI 2023
DATA PEMANGKIN EKONOMI NEGARA

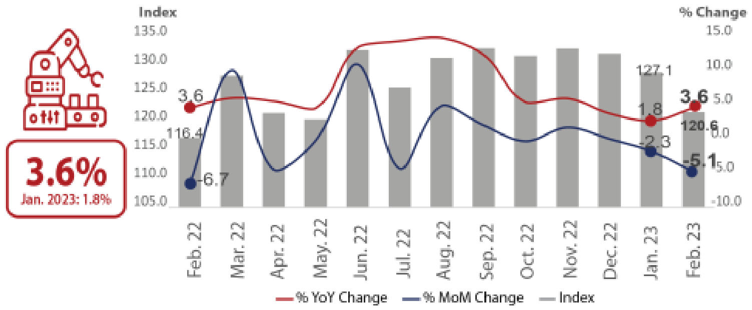
StatsMalaysia
www.dosm.gov.my

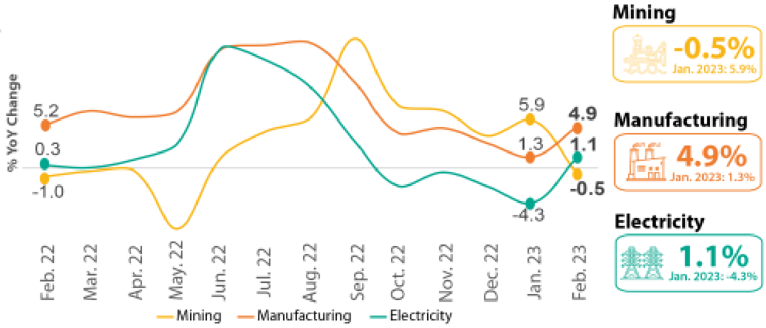
MALAYSIA MADANI

Malaysia's Industrial Production Index February 2023

IPI

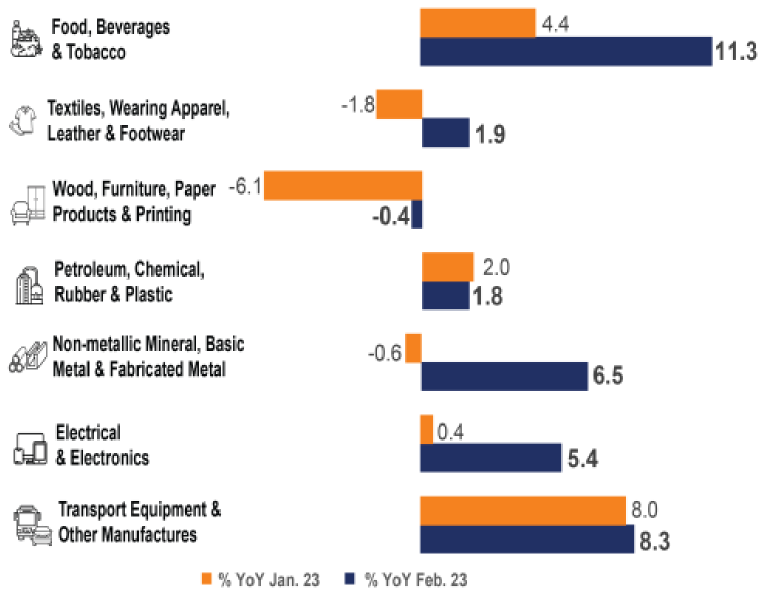
Malaysia's Industrial Production Index (IPI) improved to 3.6 per cent in February 2023
propelled by acceleration in Manufacturing sector





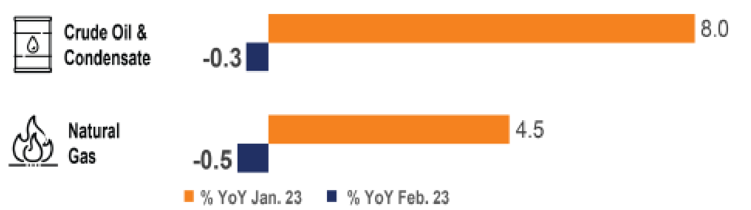
Manufacturing

Electrical & Electronics (5.4%) and Food, Beverages & Tobacco (11.3%) sub-sectors spearheaded the Manufacturing sector growth in February 2023



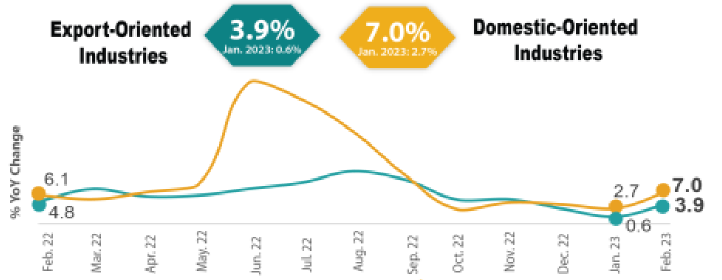
Mining

The decline in Mining sector was influenced by Crude Oil & Condensate (-0.3%) and Natural Gas (-0.5%)



Export and Domestic Oriented Industries

Both export-oriented industries (3.9%) and domestic-oriented industries (7.0%) driven the expansion of Manufacturing sector



Export-Oriented Industries	% YoY Feb.23
Manufacture of vegetable & animal oils & fats	21.5%
Manufacture of textiles	-3.3%
Manufacture of wearing apparel	5.5%
Manufacture of wood & products of wood & cork, except furniture; manufacture of articles of straw & plaiting materials	-2.5%
Manufacture of coke & refined petroleum products	6.5%
Manufacture of chemicals & chemical products	2.8%
Manufacture of rubber products	-6.3%
Manufacture of plastic products	-8.3%
Manufacture of computer, electronics & optical products	6.4%
Manufacture of electrical equipment	1.7%
Manufacture of machinery & equipment n.e.c.	2.5%
Manufacture of furniture	-8.0%

Domestic-Oriented Industries	% YoY Feb.23
Manufacture of food processing products	8.9%
Manufacture of beverages	-2.3%
Manufacture of tobacco products	3.9%
Manufacture of leather & related products	6.4%
Manufacture of paper & paper products	5.6%
Printing & reproduction of recorded media	4.9%
Manufacture of basic pharmeuticals, medicinal chemical & botanical products	9.0%
Manufacture of other non-metallic mineral products	5.2%
Manufacture of basic metals	5.1%
Manufacture of fabricated metal products, except machinery & equipment	8.5%
Manufacture of motor vehicles, trailers & semi-trailers	9.5%
Manufacture of other transport equipment	5.5%
Other manufacturing	5.0%
Repair & installation of machinery & equiment	9.4%

% YoY Feb.23

% YoY: Percentage change year-on-year
% MoM: Percentage change month-on-month

Source: Index of Industrial Production Malaysia, February 2023 Department of Statistics Malaysia (DOSM)

However, despite the year-on-year gains, on a month-on-month basis, the IPI continued to decline since December 2022, registering a negative 5.1 per cent in February 2023 (January 2023: -2.3 per cent), he said in a statement.

Elaborating further, Mohd Uzir said export-oriented industries output, which accounted for two-thirds of manufacturing output, expanded by 3.9 per cent in February 2023 versus 0.6 per cent in January 2023, bolstered by the manufacture of vegetable and animal oils and fats production which soared by 21.5 per cent (January 2023: 8.3 per cent) and computer, electronics and optical products which grew by 6.4 per cent (January 2023: 0.8 per cent).

Domestic-oriented industry growth outpaced national manufacturing growth by registering 7.0 per cent in February 2023 (January 2023: 2.7 per cent).

The increase was contributed by the positive momentum recorded in all groups except for the manufacture of beverages which posted a decrease of 2.3 per cent in February 2023.

The manufacture of fabricated metal products, excluding machinery and equipment, and the manufacture of food processing products propelled the domestic-oriented industry growth with an 8.9 per cent expansion (January 2023: 1.5 per cent) and 8.5 per cent (January 2023: 0.4 per cent), respectively.

The manufacturing sector contracted for the third month to record a negative 3.9 per cent in February 2023.

In mining, February's production edged down by 0.5 per cent influenced by a slight 0.3 per cent decline in the crude oil and condensate index (January 2023: 8.0 per cent) while the natural gas index fell by 0.5 per cent (January 2023: 4.5 per cent).

February's mining index was negative 9.6 per cent versus a positive 1.7 per cent growth in January 2023.

January-February 2023 IPI recorded a 2.7 expansion against the same period in 2022. - Bernama

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16. GLOBAL OTHERS

GLOBAL EV SALES JUMP 66% IN 2022, LIFTING MARKET SHARE TO 9.5%

KYODO NEWS - Apr 8, 2023 - 21:01 | All, World

Global electric vehicle sales climbed 66.6 percent in 2022 from a year earlier to 7.26 million units, data from a research firm showed Saturday, reflecting a rapid shift in the industry to zero-emission vehicles to meet stricter emission regulations.

The number accounts for 9.5 percent of overall auto sales of 76.21 million vehicles last year, expanding from 5.5 percent in 2021, according to Tokyo-based MarkLines Co.

A test track for electric vehicles is seen on a press day for the New York International Auto Show on April 13, 2022. (Kyodo) ==Kyodo

European and Chinese automakers are boosting EV sales, while Japanese carmakers strive to catch up with global rivals.

Honda Motor Co., for example, has teamed with Sony Group Corp. to set up a 50-50 venture to make new electric vehicles. Toyota Motor Corp. plans to expand its all-electric vehicle lineup and boost its EV sales to 1.5 million vehicles annually by 2026.

Excluding EVs, global sales fell 7.4 percent to 68.95 million vehicles.

By market, China posted an about 80 percent surge in EV sales to 4.53 million vehicles while Western Europe including Germany and Britain saw EV sales soar by about 30 percent to about 1.53 million vehicles.

Approximately 800,000 EVs were sold in the United States last year and 50,000 in Japan.

Among EV makers, the leading manufacturer, Tesla Inc., boosted sales to around 1.27 million vehicles in 2022 from about 880,000 the year before. Chinese EV giant BYD Co. sold approximately 870,000 vehicles last year, compared with 320,000 the previous year.

The alliance of Nissan Motor Co., French partner Renault SA and Mitsubishi Motors Corp. ranked seventh with sales of about 280,000 EVs.

Toyota, the world's largest auto seller, sold 24,000 EVs in 2022, according to the company.

==Kyodo

Apr 8, 2023 | KYODO NEWS

17. GLOBAL TECHNOLOGICAL DEVELOPMENTS

THE FUTURE OF ARTIFICIAL INTELLIGENCE

Apr 10, 2023,06:15am EDT

Peter van der Made is the founder and CTO of BrainChip Ltd. BrainChip produces advanced AI processors in digital neuromorphic technologies.

The artificial intelligence (AI) revolution is upon us, and companies must prepare to adapt to this change. It is important to make an inventory of the current skills within the company to identify which additional skills the employees need to learn. The company does well in developing an AI strategy to outline the areas where AI is most effective, whether in a product or a service. Failing to act inevitably means falling behind. The training should include an introduction to AI, its capabilities, and its shortcomings (AI is only as good as its training data). This article gives a view of the current state of AI and what lies ahead.

Artificial intelligence found its purpose in 2012 when AlexNet won the ImageNet challenge with a 16.4% overall error rate, compared to over 26%. The ImageNet challenge is a collection of 1.4 million images in 1000 categories, such as dogs, cars, plants, etc. A neural network is the internal engine of all artificial intelligence technologies. The neural network is said to be based on the way the human brain functions; however, this is far from the truth. Brains are way more complicated and efficient than neural networks. Brains have awareness, imagination, inventiveness and creativity, all missing in neural networks. Brains are also dynamic, consisting of specialized cells called neurons.

Neural networks have grown from a few million to nearly 200 billion parameters. Each parameter must be computed, causing an increasingly great demand for high-performance computing resources and energy. Artificial intelligence programs have beaten humans at chess and in the more complicated game of Go. Programs such as ChatGPT can weave exciting stories and answer complex questions. Training a large network can take months on powerful servers with hundreds of thousands of processors.

The increase in computational resources has made new AI tools and neural networks possible. However, the neural networks responsible for all these impressive results are unaware of what they are doing. There is no awareness, just computation.

Machine learning is a subset of artificial intelligence. Training algorithms need vast data sets to create good-quality parameters that define the function and accuracy of a neural network. Machine learning continues to advance as more data becomes available and algorithms become more sophisticated. AI is used in many fields, including healthcare, finance, manufacturing and transportation.

The future of artificial intelligence appears bright with continued advancements in technology. Investment in artificial intelligence reached $93.5 billion in 2021, according to Statista. The current trend for neural networks to grow larger will likely continue into the near future as more functionality is required.

One of the most promising new technologies is neuromorphic processing. Neuromorphic means "like the brain." Dedicated circuits are used to mimic the way dynamic cells in the brain operate. They do not run any programs but are capable of learning, and just like actual brain cells, they all work simultaneously rather than sequentially. Neuromorphic cortical models of artificial intelligence are based on the structure and function of the neocortex, the brain's outer region responsible for complex cognitive processes and are small, faster and less power-hungry than computers.

Research into these and other brain structures is expected to lead to greater levels of intelligence and better cognitive performance than in previous types of artificial intelligence. With several million nodes, these artificial cortical networks are still far from simulating human intelligence.

Like the composition of the brain, which contains many different structures, it may be necessary to use different types of neural networks to perform specific functions. The neocortex is just one part of the brain responsible for cognition and intelligence. It has massive connections to the thalamus, the hippocampus and the cerebellum, all examples of brain regions important for different cognitive aspects.

Modeling these regions and the neocortex could lead to more advanced AI systems. The thalamus is the central hub that receives sensory information in the brain. Modeling the thalamus could improve the ability of AI to process sensory information, such as auditory, tactile and visual data.

The hippocampus is involved in spatial navigation and the creation of long-term memories. Modeling the hippocampus's functions could improve AI systems' ability to learn and selectively form long-term memory.

The cerebellum has massive connections to all regions of the neocortex. Modeling the cerebellum could lead to the simultaneous processing of incoming data while the AI is learning something new, like driving a car.

While the neuroscience understanding of these brain regions is still incomplete, sufficient information is available to build models that may answer open questions and fill in some of the blanks through experimentation. One day, cortical neuromorphic neural networks may displace the neural networks driving artificial intelligence today and have been responsible for its many successes.

One key difference is their training method. Current neural networks require millions of examples and an error feedback algorithm to adjust the parameters. These training sessions can take weeks using expensive, powerful computers costing millions.

Cortical neuromorphic neural networks learn from few examples and are thus cheaper to deploy. Neuromorphic processing eliminates the need for colossal computer resources. Continuous learning adds experience, creating more accurate outcomes.

Cortical neural networks are expected to be used in products that range from speech recognition to image processing, space exploration, healthcare, and robotics within the next five years. The development of cortical neural networks may lead to the emergence of artificial general intelligence (AGI), the holy grail of artificial intelligence. Humanity will benefit from the emergence of AGI in turbocharging the global economy in providing a multiplier for human ingenuity and safety. AGI is likely to benefit humankind much like previous economic revolutions. The internet and computers changed the way we do business. There will be a similar shift in how humans occupy their time in the future.

AI is a fast-moving field, and companies cannot afford to stand still. To enable personnel, it is imperative to take action now to enable employees to upgrade their skills to meet the challenges of the future. Seek out opportunities to train your employees on this new technology in order to fully embrace it across your organization.

18. GLOBAL RECESSION

GLOBAL ECONOMY FENDS OFF GEOPOLITICAL AND BANKING THREATS

11 4 23

China, US, eurozone, India and UK well-placed to avoid slowdown going into IMF-World Bank spring meetings China is likely to reach its 5% growth target this year despite an increasingly state-dominated economy

© AFP via Getty Images

Global economy fends off geopolitical and banking threats on twitter (opens in a new window)

Global economy fends off geopolitical and banking threats on facebook (opens in a new window) Global economy fends off geopolitical and banking threats on linkedin (opens in a new window)

The world's leading economies are showing surprising resilience despite facing a perilous moment, according to research for the Financial Times that suggests the global economy may avoid a sharp slowdown this year. China, the US, the eurozone, India and the UK are all growing faster than had been expected late last year, the latest edition of the twice-yearly Brookings-FT tracking index found, with consumer and business confidence rising after a rocky end to 2022.

As recently as January, central banks and institutions such as the IMF were bracing for a severe downturn. The research comes as global policymakers prepare to meet in Washington at the IMF and World Bank's spring meetings this week. The fund is expected to confirm that the global economy will grow at a stronger rate than it forecast at its last meetings in October.

There is little sign of the recessions that some analysts had feared, despite high inflation and rising geopolitical and financial risks. Despite this, managing director Kristalina Georgieva has warned that medium-term prospects for the global economy are at their bleakest since 1990. Eswar Prasad, senior fellow at the Brookings Institution, a Washington-based think-tank, said the recent banking turmoil in Europe and the US was "exposing the frailties of financial systems in the major economies and adding to concerns about medium-term growth".

Policymakers, especially central bankers, were "floundering" in an environment of rapidly multiplying risks, he said. Despite that, the index suggested the world's two largest economies would perform better than expected by analysts in the autumn. China was "poised to register strong growth in 2023", Prasad said, while the US economy continued "its surprising run despite numerous headwinds".

China's recovery would stem from the end of its zero-Covid policy and a slowdown in the subsequent wave of infections, with the country likely to reach its 5 per cent growth target this year despite an increasingly state-dominated economy. Banking stresses in the US could derail the current strength in consumer spending and employment growth. But a soft landing was still possible, Prasad said, with expectations of inflation easing.

The eurozone and the UK were past the worst of their difficulties from 2022, with wholesale gas prices down more than 80 per cent compared with the peaks last summer. High inflation would constrain growth, however. India was seeing the benefit of economic reforms of recent years and was poised for another year of strong growth, according to the index.

The Brookings-FT Tracking Index for the Global Economic Recovery (Tiger) compares indicators of real activity, financial markets and confidence with their historical averages, both for the global economy and individual countries. The main composite index showed economic conditions to be close to historic averages both in advanced and emerging economies. While hard data had deteriorated since the autumn, confidence indicators had picked up as had financial markets, especially in emerging economies. Prasad said that, although activity was tracking historic averages, the global economy faced significant headwinds.

The research “underscores a perilous moment for the world economy, with persistently high inflation, banking sector turmoil, and geopolitical risks threatening to derail growth”, he said. If these materialised, they would “take a toll on household and business confidence and are likely to impinge negatively on medium-term growth”, he warned. Leading emerging economies were benefiting from inherent dynamism and improved policy frameworks, but outside these economies the outlook was considerably worse, according to the Tiger index. Low-income and frontier economies were suffering the most as a result of rising debt-servicing costs, weak export demand, and the limited ability of governments to stimulate growth while maintaining the confidence of international financial markets.

19. HINO

HINO EMISSIONS CHANGES

Poncho is dropped and Toyota engines called on as Hino addresses emissions issues

By Neil Dowling on 9th April

HINO truck sales are back on track in Australia after passing regulatory hurdles associated with disputes over fuel certification tests.

But the Toyota-owned truck maker has pulled the Poncho bus model from Australia. The Poncho, a light bus aimed at short-haul duties, was a low-volume model for Hino in Australia.

It was targeted by the special investigation committee that identified the fuel certification concerns – basically how the fuel economy and emission tests were carried out and how they arrived at the results – of certain Hino models.

Hino Motors Sales Australia (HMSA) said that in August 2022, it voluntarily suspended the importation and sale of Poncho bus models based on the committee findings.

Now, Hino has withdrawn the Poncho from sale in Australia.

In a statement, HMSA said that it “continues to believe that Poncho buses meet the relevant regulatory requirements for the vehicle, we have made this difficult decision in light of the regulatory processes that apply to the recommencement of sales of a small volume of vehicles.”

HMSA also recommenced the sale of the 500 Series Standard Cab vehicles in December 2022 after repeating testing procedures and then confirming compliance of those vehicles to the relevant standards in Australia.

HMSA’s statement said that “Following Hino Motor Limited’s (HML’s) announcement on August 3, 2022 related to irregularities in emissions testing in Japan, Hino Motor Ltd suspended the export of 500 Series Standard Cab FC, FD, FE medium-duty trucks and Hino Poncho Buses to Australia.”

“HMSA, as the distributor of Hino vehicles in Australia, suspended its import and supply of these models in Australia.”

“The investigation was commissioned in March 2022, following HML identifying past misconduct in relation to its applications for certification concerning the emissions and fuel economy performance of its engines for the Japanese market.

“The SIC report has identified misconduct in relation to Japanese emissions certification tests that have been relied on for the sale of a number of engine variants in Hino 500 Series Standard Cab FC, FD, FE medium-duty trucks and Hino Poncho Buses sold in Australia.

“The misconduct concerning engine certification does not affect the drivability of the affected vehicles and raises no vehicle safety concerns.

“HML is treating these matters seriously and is committed to continuing to review and improve its emissions certification procedures. HML has voluntarily put on hold the shipment of vehicles fitted with affected engines while it engages with the relevant authorities in Japan.”

Hino Motor Sales Australia (HMSA), as the distributor of Hino vehicles in Australia, will also suspend imports and deliveries of affected vehicles to dealers.

It said: “HMSA will also not accept any new orders for the affected vehicles pending the outcome of HML’s engagement with the authorities in Japan. HMSA is committed to working with dealers and customers about these issues and engaging with the relevant authorities in Australia.”

The certification issue affected other models more severely. In Japan, Hino announced it will restart sales of its Liesse II light duty bus – a Japanese domestic market bus – after fitting it with a Toyota engine.

The upgraded Liesse II model was launched in Japan last month with the Toyota 1GD engine, replacing the Hino N04C (Urea SCR) engine.

Hino Motor Ltd said that the N04C (Urea-SCR) engines “are no longer being installed in the Hino Liesse II.”

“For other vehicles and equipment that were scheduled to be equipped with the same engine, Hino will continue to consider alternative options, including the installation of other engine models,” it said.

The N04C is also used in some variants of the Hino 300 Series, Toyota Dyna, Hino Dutro and Toyota Coaster.

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