

Indian Prime Minister, Shri Narendra Modi meets all 27 European Government heads in May

On May 8, Indian PM Narendra Modi, will hold a summit meeting with all 27 heads of government of the European Union in the Portuguese city of Porto. The summit will be followed by a bilateral meeting between Indian PM Narendra Modi and Portuguese PM Antonio Costa, as well as a business roundtable between Indian and European industry.

European sources said Europe and India are now converging on their national and continental priorities. “We have five priorities. All these are priorities for India,” They described these as green transition, digital transition, social transition, resilience and “openness”, a reaffirmation of a multi polar world. “Europe believes there should be a multi polar Asia because India’s role in Asia is just as important as the relationship between Europe and Asia.”

Last week, Valdis Dombrovskis, European Commission executive vice-president responsible for trade, said, “We recently had a high-level economic dialogue between the EU and India, and we are also exploring options on what can be done in the area of trade, keeping in mind the EU-India summit.”

A reaffirmation of “common values” will be on the cards — “democracy, rule of law and respect for minorities”. The last priority they list is “openness” — which is interpreted as being as much about pushing back against protectionism as it is about reiterating the importance of a multi polar world. India is one of the big votaries of a multi polar world. From the Indian perspective, the summit will give it an opportunity to showcase its commitment to climate, connectivity and trade and investment.

100% FDI now Permitted for Electric Vehicle Industry in India

The Indian automotive industry is the fifth largest in the world and is slated to be the third largest by 2030. The electric vehicle industry in India is picking pace

with 100% FDI possible, new manufacturing hubs, and increased push to improving charging infrastructure. By making the shift towards electric vehicles (EVs), India stands to benefit on many fronts: it has a relative abundance of renewable energy resources and availability of skilled manpower in the technology and manufacturing sectors. According to an independent study by CEEW Centre for Energy Finance (CEEW-CEF), the EV market in India will be a US\$206 billion opportunity by 2030 if India maintains steady progress to meet its ambitious 2030 target. This would require a cumulative investment of over US\$180 billion in vehicle production and charging infrastructure. India offers the world’s largest untapped market, especially in the two-wheeler segment. 100 percent foreign direct investment is allowed in this sector under the automatic route. Responding to this opportunity, leading players like OLA Electric Mobility Pvt, Ather Energy, and Mahindra Electrics are rapidly growing their market presence. Moreover, certain states like Karnataka and Tamil Nadu are rolling out innovative and timely investor-friendly policies besides building necessary infrastructure. Ultimately, the scope of India’s EV market growth rests on availability of capital for original equipment manufacturers, battery manufacturers, and charge point operators as well as improvements to infrastructure and diversified options for consumers. Realizing India’s EV ambition will also require an estimated annual battery capacity of 158 GWh by FY 2030, which provides huge investment opportunities for investors. Enabling policy support measures are a critical need at this juncture.

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