

After Telangana, Maharashtra, now Punjab woos Elon Musk to cradle Tesla hub

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Tesla has sought lowering of import duties in India.

As the standoff over import duties continues between the Centre and **Tesla**, a number of state governments are apparently trying to outdo each other in rolling out the red carpet for the American electric vehicle manufacturer.

After Telangana and Maharashtra, Punjab appears to be the latest to invite the company. Navjot Singh Sidhu, who heads the state unit of the Punjab-ruling Congress, took to Twitter to invite Tesla CEO **Elon Musk**.

Under the "Punjab Model", said Sidhu, Ludhiana would emerge as the hub for the electric vehicle and battery industry.

The state would provide "time bound single window clearance for investment that brings new technology" and creates "green jobs", added the former Punjab minister, who is also being viewed as a top contender for the chief ministerial post if the Congress retains power in the assembly polls next month.



Sidhu, in his statement on the microblogging site, quoted a tweet of Elon Musk in which he told a netizen that **Tesla is facing a "lot of challenges"** for launching its vehicles in India.

The netizen, a Twitter user identified as Pranay Pathole, had on January 13 asked Musk: "...any further update as to when Tesla's will launch in India?"

The Tesla boss, who is known for his active use of social media, was prompt in replying: "Still working through a lot of challenges with the government".



Telangana industry and commerce minister KT Rama Rao was the first political office holder in India to respond to Musk's remark. On January 15, he appealed to the Tesla CEO to **consider investing in Telangana**, which he described as a "top notch business destination in India".

"Will be happy to partner Tesla in working through the challenges to set shop in India/Telangana. Our state is a champion in sustainability initiatives (sic)," Rao added.

The Telangana minister was followed by his Maharashtra counterpart, Jayant Patil, who **invited Musk to set up a manufacturing plant** in the state.

"Maharashtra is one of the most progressive states in India. We will provide you all the necessary help from Maharashtra for you to get established in India. We invite you to establish your manufacturing plant in Maharashtra," Patil tweeted on January 16.



'High import duties' a roadblock

Last year, the states of Karnataka, Gujarat, Andhra Pradesh and Tamil Nadu, apart from Maharashtra and Telangana, had formally reached out to Tesla to set up a plant. The company had also received formal approval for seven of its cars to begin production.

However, Tesla has complained that "high import duties" imposed by the Government of India on completely build units of foreign automobiles would restrict the sales of its vehicles as well as that of electric vehicles in general.

High duties would also make it tougher to commit to an investment in India, the company has said.

India levies a 60 percent import duty on electric vehicles that cost \$40,000 or less and a 100 percent for those priced above the threshold to protect the domestic industry.

In the past, Union government officials have said that Tesla can take advantage of the production-linked incentive schemes for the sector, including the one for advanced chemistry cells for electric vehicles.