

# Diesel vehicle ban may not clean city air

## Will Simply Affect Investment, Say Experts

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**Chennai:** The National Green Tribunal (NGT) order banning diesel vehicle registrations in Delhi may impact India's investment reputation but not substantially improve the city's smog-filled air.

According to automobile industry experts, Delhi's 27-lakh-strong car park boasts just 20% diesel vehicles or just 5-6 lakh vehicles in all. With the diesel-petrol price differential coming down, diesel demand has already been in decline in Delhi and pan-India. But the NGT order, said SIAM (Society of Indian Automobile Manufacturers) officials, will simply impact investment in diesel technology without cleaning up the air.

"This order is not based on any logic or rationale. NGT should have waited for the IIT-Kanpur study to be released which shows that passenger cars are responsible for only 2.5% of the pollution in Delhi (total vehicle pollution comprises 25% and cars are 10% of that). So this decision will only address this 2.5% of the total Delhi pollution," said Vishnu Mathur, director-general, SIAM.

SIAM feels this decision will hit companies like Maruti and Honda, which did not traditionally have diesel technology and invested in acquiring it for India. "This is bad for 'Make in India' because automobiles is such a



**CLEARING THE AIR NOT AN EASY JOB**

capital intensive industry," said Mathur.

Other experts, though, feel the diesel issue needs a more inclusive dialogue. "The steps which one takes should be sustainable covering all industries, including automotive. In India, awareness is also one of the weak areas when it comes to emission and all stakeholders need to work together," said auto expert Abdul Majeed, partner Price Waterhouse.

Sources say there are several aspects to the order. First, government fleet isn't overwhelmingly diesel. Government has been sourcing petrol cars like SX4, Ciaz and Gypsy and even when it comes to largely diesel vehicle companies like Toyota, the government segment is around 10-15% only. What auto industry is complaining about is that orders like this would stigmatise diesel so much that companies will simply not invest in next-generation diesel technology

(Euro5 and Euro6 for example). "Diesel offers 25% better fuel efficiency as compared to petrol so its CO2 emission is 25-30% less than petrol," said a top auto industry official. "Diesel needs to be strategized not stigmatized."

The NGT order has three separate components—no diesel vehicles will be registered till the next hearing the government will not buy diesel vehicles and will phase out its diesel fleet and diesel vehicles more than 10 years old will not be registered. Industry sources say the last bit on old vehicles is actually an older order but one that authorities have found very difficult to implement. "The earlier order banned 15-year-old petrol and 10-year-old diesel vehicles but in the past 6 months, less than 200 petrol vehicles have been banned," said a top auto industry official. "It's impossible to implement."

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