

# Tesla, Starlink entry on agenda when Musk heads to India

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Tech billionaire Elon Musk is set to visit India as his businesses seek new markets in the world's most populous nation, with electric carmaker

Tesla—suffering a sales downturn in the United States—reportedly scouting factory locations.

Another Musk-owned business, satellite internet operator Starlink, is set to receive initial approvals to operate in India, a government source told AFP.

Also likely to be on the agenda for the self-described "free speech absolutist" is the large number of content takedown orders India's government imposes on X, the social media platform he took over in 2022.

"Looking forward to meeting with Prime Minister Narendra Modi in India!" Musk wrote on X last week without giving a date for the visit.

Indian media reports suggest the trip will begin as soon as Sunday and last two days, coming after months of aggressive courtship between the billionaire and Modi.

The two met last June in New York, after which Musk said Modi had pushed the entrepreneur to "make significant investments in India"—something he said his companies intended to do.

Tesla is currently battling increased Chinese competition and a demand slump in the United States, with reports claiming the company plans to slash its workforce.

Musk, who has described himself as a Modi fan, also said India "has more promise than any large country in the world".

But India often struggles to attract foreign direct investment, even as [multinational companies](#) seek alternatives to China, and Musk's admiration has not yet translated into multibillion-dollar commitments.

India's steep import taxes for [electric vehicles](#)—Musk once complained that they were among the "highest in the world"—have prevented Tesla from making inroads in the absence of local manufacturing.

And in 2021, the communications ministry delivered a rare public rebuke to Starlink when it claimed the company had started "preselling" its services in India without a license to operate.



A Tesla Model Y in front of the company's plant near Berlin.

## Red carpet

This year though, the government has eased regulations in the hope of attracting greater foreign investment ahead of national elections that will last six weeks beginning Friday.

Last month it cut import taxes on electric vehicles for global automakers that committed to invest \$500 million and start local production within three years.

The new policy allows companies to import up to 8,000 electric vehicles priced at \$35,000 or higher every year with greatly reduced import duties of 15 percent.

The Financial Times reported earlier this month that Tesla would send a team to scout locations in at least three states for a factory.

Indian media has reported that Tesla will first look to import cars from its Berlin factory until it takes a final decision on where to set up a production line.

Experts say it's unlikely the Indian market will be an immediate shot-in-the-arm for the company, mostly due to the high price tag of its cars.

Tesla's cheapest model right now is the Model 3 sedan, which retails for around \$39,000 in the United States.

"Cars that are priced more than Rs 20 lakh (\$23,900) have only a five percent market share in India," Soumen Mandal, senior analyst at market research firm Counterpoint, told AFP.

He added however that Tesla would be looking to position itself for an inflection point that saw greater demand as disposable incomes rise and electric vehicle production costs drop.

Counterpoint projects that the percentage of electric vehicles in all automotive sales will jump from two percent last year to nearly 30 percent by 2030.



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## Posting battles

Musk's present business interest in India is limited to the one he inherited—the social media platform X, formerly Twitter.

He is continuing a legal battle that predates his ownership to challenge

takedown orders mandating the removal of tweets and accounts critical of Modi's government.

India, which has seen a precipitous decline in press freedoms since Modi took office a decade ago, petitions X for content removals more than almost any other country.

Former X boss Jack Dorsey last year claimed government officials threatened to shut down the platform in India unless it yielded to their demands—a claim information technology minister Rajeev Chandrasekhar said was an "outright lie".

Under its new owner, X is appealing a court verdict last year ordering the platform to abide by government takedown requests.

But Musk has been sanguine about the restrictions faced by the company in India.

"The rules in India for what can appear on social media are quite strict and we can't go beyond the laws," he told a BBC journalist last year.

"If we have a choice of either our people go to prison or we comply with the laws, we will comply with the laws."

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