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Small cars star at the Delhi motorshow

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India Business Report, BBC World, Delhi motorshow

More than two million visitors are expected at the Delhi motorshow - or Auto Expo India in the seven day event. For the second year running the big idea is the small car. Almost all major car makers of the world are here launching their version of the compact car for the Indian roads.

India is currently the 11th biggest car market in the world, though it is set to be the seventh largest by ~~by~~ 2016.

First to launch was the new compact car from General Motors (GM), the Chevrolet Beat. GM intends to sell this car worldwide, across Europe, parts of Asia Pacific and North America.

Japanese carmakers Honda and Toyota also unveiled small concept cars, "India will play a pivotal role in Toyota's global expansion plans and the time has come for us to strategically accelerate our growth here," Toyota vice chairman Kazuo Okamoto says.

As more and more foreign players are coming down to India to launch their cars, the Indian government too is focusing on the industry here, promoting it as an automobile manufacturing hub.

The government is offering incentives for foreign companies to invest here, alongside penalties for those importing cars from abroad by way of punitive tariffs.

As a result, more and more car makers, both foreign and Indian, have invested heavily in the market and have extended their production plans in India.

But it is not just the market that is important here. Many carmakers are using their production facilities here as an export hub. One of them is Tata Motors, the makers of the ultra-cheap Nano. "We also recognise there is a market [for the Nano] not only in developing countries, but possibly in the developed countries," Ratan Tata, chairman of Tata Motors and Tata Group, says.

1. Read and present the text
2. Write an article for the town newspaper on the advantages of small cars for your town