



## Toyota Motor lobbies India to cut hybrid car taxes as much as 21%

NEW DELHI — Japan's Toyota Motor is lobbying the Indian government to cut taxes on hybrid vehicles by as much as one-fifth, arguing they are far less polluting than petrol cars but do not get commensurate policy treatment, a company letter shows.

The world's largest carmaker plans to expand production capacity to meet a surge in Indian demand for hybrids, but Prime Minister Narendra Modi's government has focused on pushing sales of electric vehicles (EVs), offering companies millions of dollars in incentives to build EVs and batteries.

India taxes EVs at just 5%, while the levy on hybrids is as high as 43%, just below the 48% imposed on petrol cars.

Toyota argues this 5-percentage-point differential favoring hybrids over petrol cars is "insufficient," given the reduced emissions and better fuel consumption hybrids offer, according to its letter to Mr. Modi's Niti Aayog think-tank, which plays a key role in policymaking.

The tax differential over petrol cars should be as much as 11 percentage points for hybrids and 14 points for flex-hybrids, says the letter from Toyota's India country head, Vikram Gulati.

That amounts to a tax rate of 37% on hybrids and 34% on flex-hybrids, cuts of as much as 14% and 21%, respectively, according to Reuters calculations.

"We would kindly request for a proportionate policy support," Mr. Gulati wrote in the Sept. 20 letter, which has not previously been reported.

Toyota, which popularized hybrid technology with the Prius, has faced criticism from investors and climate groups for still supporting hybrids, which it says make better sense for markets where the infrastructure is not ready for EVs.

Indian giants Tata Motors and Mahindra & Mahindra are backing EVs, while Toyota and Honda Motor want support for hybrids.

Toyota declined to comment on the letter but said the "most optimal way" to reduce carbon emissions was through a mix of electrified and alternative energy options, including EVs and hybrids.

Niti Aayog did not respond to a request for comment.

Toyota has begun developing EVs while also championing hydrogen-powered cars, saying a "multi-pathway" approach is needed to solve the climate crisis.

India's tax structure and use of typically more expensive powertrain — including an engine and electrified parts like batteries and motors — makes producing hybrids "30%-35% costlier than its petrol counterparts," Toyota says. In its letter, Toyota also asks India to bring hybrid cars under a government incentive programme that offers discounts to buyers, a scheme now available only for EVs. — **Reuters**

# The battery test race to work out what used EVs are really worth

LONDON/DETROIT — A race is on to certify battery health and performance in used electric vehicles (EVs), with a clutch of startups scrambling to help buyers figure out how much a secondhand EV is really worth.

With traditional combustion-engine cars, mileage and years racked up can quickly tell prospective buyers how much they should fork out. That formula does not work with EVs — whose value depends largely on their battery's driving range and ability to hold a charge.

Until recently, there was no way to measure battery health, hampering used EV sales. But that is changing as companies rush to scale up EV battery tests — some of which take just minutes.

One of them is Altium, a UK startup that has developed an EV battery state-of-health test and certificate launching this year in more than 7,000 US car dealers and over 5,000 UK dealers through dealer service providers including Assurant and GardX.

"If the second-hand car market doesn't work properly, the new car market doesn't work properly and the electric transition won't happen," said Alex Johns, business development manager at Altium, which says it has received interest from other markets including China. "We're in an implementation race."

A battery typically makes up around 40% of a new EV's price. How that battery is treated is key. Charging an EV rapidly too often, constantly charging when the battery is nearly full or leaving it for long periods fully charged can degrade its battery more quickly.

Austrian startup Aviloo, which has developed a test for dealers and private individuals, has found that after 100,000 kilometers (62,140 miles) EV battery health can vary by up to 30%.

A consumer who wants a used EV with 90% of its range when new could end up buying one with just 70% because of the previous owner's bad charging habits — which should potentially shave thousands of euros

off its value, said Marcus Berger, CEO of Aviloo, whose investors include Volkswagen.

"With an EV, mileage and age don't tell you anything," said Mr. Berger. "It's all about the battery."

Automakers provide in-vehicle EV range information that critics say is often excessively rosy, making independent tests vital. A lack of visibility has hurt the EV market.

According to EV battery tracking startup Recurrent, US used EV prices in September were down 32% year on year, versus a 7% drop for fossil-fuel models. UK used EV prices were down 23% year-on-year in August while those of fossil-fuel models were up at least 4%, according to AutoTrader, which cited "consumer concerns around battery life in used EVs" as cause for concern.

A price war started by Tesla has also weighed on used EV prices.

AutoTrader and Deutsche Automobil Treuhand data show residual values for three-year old

EVs in the UK and Germany are over 10 percentage points lower than fossil-fuel equivalents.

"Knowing the capacity of that (EV) battery is going to be critical," said Stephanie Valdez Streaty, director of Mobility R&D at Atlanta-based Cox Automotive, which owns Manheim, the world's largest used-vehicle auction house.

Driverama, which buys around 100,000 used cars in Germany annually for sale across central Europe, uses Aviloo to weed out EVs below 80% battery capacity or with battery defects, said Chief Operating Officer Eldar Vagabov.

In Europe, for instance, more than 1.2 million new fully-electric cars were sold in 2021 — and many will hit the used market in 2024 when their lease contracts end.

If used prices remain low, that could hurt new EV prices.

"People just want less risk," when buying a used EV, said Battery Quick Check managing director Katharina Alamo Alonso. — **Reuters**

## China to bolster economic recovery and curb risks

SHANGHAI/BEIJING — China will promote a sustained economic recovery, focusing on expanding domestic demand, while fending off financial risks, People's Bank of China Governor Pan Gongsheng said in a report published on Saturday.

The central bank will make its policy more "precise and forceful," while guiding financial institutions to cut real lending rates and reducing financing costs for firms and individuals, Mr. Pan said in the report published on the bank's website.

The report is significant because it is the first time the governor has commented on

policy after the publication of third-quarter economic data. It outlines the authorities' near-term priorities and was delivered to the country's parliament.

Mr. Pan said efforts would be made to activate the capital markets and boost investor confidence.

He also pledged to "implement macro policy adjustments in response to the changes in the economic situation, effectively strengthen financial supervision, focus on expanding domestic demand, boosting confidence and preventing risks, and promote a sustained recovery in the economy."

China's economy grew at a faster-than-expected rate in the third quarter, while consumption and industrial activity in September also surprised on the upside, suggesting a recent flurry of policy measures is helping bolster a tentative recovery.

The country will keep yuan CNY=CFXS stable, prevent the risk of abnormal fluctuations in cross-border fund flows and maintain the stability in the foreign exchange market, Mr. Pan said.

It will steadily push forward its yuan internationalization scheme, establish a risk warning

and control system for overseas investment and safeguard the country's foreign currency assets, he added.

It will also guide financial institutions to help resolve local government debt risks, including debt risks of local government financing vehicles, he said.

Mr. Pan also said in the report China would resolve the default risk of bonds of big real estate enterprises, preventing risk contagion in stock, bond and foreign exchange markets, and ensuring the stable operation of financial markets. — **Reuters**



Cryptocurrency, from SI/1

The Philippines' unemployment rate hit a three-month low of 4.4% in August from 4.8% a month earlier and the 5.3% logged in August last year. This share was the lowest since 4.3% in May.

"In that event, cross-border remittances will remain the major driver of crypto adoption. However, the interlinking of Southeast Asia's fast payment systems, the adoption of the Philippine identification system and the adoption of global crypto control rules mean that crypto adoption is set to slacken in the Philippines," he added.

The heightened volatility in cryptocurrency markets has intensified debates on how to regulate the sector.

In the Philippines, the Securities and Exchange Commission (SEC) in September said that it was close to releasing a set of guidelines to regulate cryptocurrency trading to protect the investing public.

Meanwhile, DBS Bank also cited the results of the 2022 survey on central bank digital currencies (CBDC) and crypto of the Bank for International Settlements, which showed that 93% of the 86 central bank respondents globally are engaged in developing some form of virtual assets.

"Progress on retail CBDC is more advanced than on wholesale version, with a quarter of the surveyed central banks piloting the former," the DBS Bank noted.

It also said that nine out of 10 central banks are currently working with stakeholders in designing CBDCs.

"Near 60% of surveyed central banks have reportedly stepped-up work on CBDCs to counter emergence of crypto assets," DBS added.

The Bangko Sentral ng Pilipinas (BSP) was a part of the 2022 BIS Survey on CBDCs and crypto.

Last month, the BSP announced it has designated Hyperledger Fabric as the distributed ledger technology for Project Agila, the central bank's wholesale CBDC pilot project.

CBDCs are issued as central bank liabilities. Since 2021, the BSP has been reviewing use cases for wholesale CBDCs, as well as the potential risks and use of CBDC payments among financial institutions.

The BSP earlier said it sees opportunities from CBDCs, such as being an additional option for monetary policy action, boosting competition and innovation among financial industry players, and improved financial inclusion. — **Keisha B. Ta-asan**

## Singapore's MAS to participate in DTI fair helping PHL small businesses go global

THE Department of Trade and Industry (DTI) said Singapore's central bank, the Monetary Authority of Singapore (MAS), will take part in Financial Fitness Fair 2023, an event designed to address the financial and capacity-building needs of micro, small, and medium enterprises (MSMEs) seeking to expand to overseas markets.

Executive Director Nelly Nita N. Dillera of the Global MSME Academy (GMEA), an arm of the DTI agency Philippine Trade Training Center, said in a statement on Monday that the fair is

designed to help MSMEs thrive the global economy.

Also collaborating in the event is Singapore small-business services company Proxtera Pte. Ltd. Proxtera's services include a financial empowerment program targeted at small business.

"This collaborative effort between GMEA, the Monetary Authority of Singapore, and Proxtera is a testament to our commitment to empower MSMEs and provide them with the tools they need to succeed in a competitive world," Ms. Dillera added.

GMEA provides training and capacity-building programs to MSMEs, will stage the Financial Fitness Fair on Oct. 24-25.

"This event is a critical milestone in the journey towards empowering and nurturing the growth of MSMEs. The Financial Fitness Fair 2023 promises to be an unparalleled opportunity for MSMEs to seize the global stage," the DTI said.

The fair promises free access to global literacy courses through the SME Financial Empowerment (SFE) platform, global financial services, business clin-

ics and pathways to explore and enter the Singapore market.

The SFE program is a partnership among MAS, the International Finance Corp., and the United Nations Development Programme, which aims to "foster foundational digital literacy and a profound understanding of cross-border financial services crucial to the success of SMEs in the digital economy."

Launched in August 2022, the program encompasses financial literacy and green financing courses. — **Justine Irish D. Tabile**

## PhilMech to provide P95.4M worth of rice processing equipment to N. Ecija farmers

THE Philippine Center for Postharvest Development and Mechanization (PhilMech) said it will deliver P95.4 million worth of rice processing systems to farmers in Nueva Ecija.

In a statement, PhilMech said signed several agreements to deliver equipment to the farmers, representing the first batch of such deliveries this month.

PhilMech will also deliver about P61.4 million worth of equipment to the local government of Muñoz, Nueva Ecija. The package will consist of two recirculating dryers and a multi-pass rice mill.

The province will also receive two six-ton recirculating dryers and a 1.5-

ton per hour multi-pass rice mill worth about P18 million.

The agency has also signed agreements with Quezon, Tarlac, and Bulacan provinces to provide equipment to rice farmers.

PhilMech has turned over P43 million worth of machinery to Tarlac, and to two municipalities in Bulacan.

Parts of Quezon will also receive equipment valued at P16 million, consisting of a 12-ton recirculating dryer and a 1.5-ton per hour multi-pass rice mill.

PhilMech supplies equipment to modernize rice farming using funding from the Rice Competitiveness Enhancement Fund. — **Adrian H. Halili**

## Japan donates vaccine logistics equipment valued at P260 million

THE Japan International Cooperation Agency (JICA) said it provided P260 million worth of cold chain equipment to the Department of Health (DoH) to preserve the efficacy of vaccines kept in storage.

"This cooperation aims to strengthen the Philippines' cold chain management and logistics for an efficient vaccination system in cases of outbreaks," JICA said in a statement.

The donation includes eight refrigerated vans, 17 delivery vans, 17 pickup trucks, 18 wing vans, 500 biothermal packaging systems and 140 ice pack freezers.

"JICA is always in solidarity with the Philippines especially in facing crises such as COVID-19. Our cold chain and logistics support in the vaccine rollout and delivery even to the remotest areas

aims to ensure that no one is left behind," JICA Chief Representative Sakamoto Takema said.

"Our lesson from COVID-19 is that safe and effective vaccinations in record time boosts the population's resilience, and stimulates economic activities," he added.

The equipment and vehicles will be deployed at DoH facilities nationwide.

In 2022, JICA donated an earlier batch of cold chain equipment to the Philippines. According to the Japanese embassy in the Philippines, Japan has provided over \$100 billion in COVID-19 support. These include vaccines, medicine, equipment, technical assistance, and budgetary support, among others. — **Luisa Maria Jacinta C. Jocsom**