

Japan Automakers Launch Low-Cost Green Cars

The Associated Press

JAKARTA, Sept. 19 (Kyodo) — Japanese automakers launched their low-cost green cars at the 21st Indonesia International Motor Show 2013 that opened Thursday in Jakarta, hoping to capitalize on a new Indonesian government policy that gives tax exemptions for the eco-friendly cars.

The luxury tax exemption, expected to give a boost for Japanese car manufacturers, applies to locally assembled vehicles with engine capacities of less than 1,200 cc and a minimum fuel consumption of 20 kilometers per liter.

Toyota Motor Co. and Daihatsu Motor Corp., which have joint ventures with PT Astra International Tbk to produce green cars in Indonesia, unveiled their Toyota Agya and Daihatsu Ayla cars, which comes in variants with prices ranging from 76 million to 120 million rupiah (about 650,000 to 1.03 million yen).

Among other low-cost green cars unveiled at the auto show, Nissan Motor Co. took the wraps off the Datsun GO+ five-seater and seven-seater cars, both with 1.2-liter engine capacities, which will be build at Nissan's plant in Purwakarta, some 80 kilometers southeast of Jakarta, and sell for under 100 million rupiah.

Honda Motor Co. staged the world premiere of its Honda Mobilio prototype, which will be produced in the new Honda factory in Karawang, east of Jakarta, while Suzuki Motor Corp. launched the Karimun Wagon R with engine capacities 1,000 cc, which will be assembled at a plant in Cikarang, in the suburbs of Jakarta.

The auto show, which claims to be the largest of its kind in Southeast Asia, will last until Sept. 29.

On May 23, Indonesian President Susilo Bambang Yudhoyono signed the regulation on luxury tax exemptions for low-cost, green cars, or LCGC, which include electric cars, hybrids, biofuel-based cars and compressed natural gas cars.

The eco-friendly vehicles, according to the regulation, must also be assembled in Indonesia and meet a minimum standard of local components to receive tax exemptions.

In 2012, Indonesia's total car sales hit an all-time high 1.12 million, according to data of the Association of Indonesian Automotive Manufacturers.

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