

India's Tata to launch Nano car in Bangladesh

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India's Tata Nano, billed as the world's cheapest car, will go on sale in Bangladesh on Saturday -- but with a price tag nearly triple what it is at home.

The least expensive no-frills Nano will cost 599,000 taka (\$7,900), said Abdul Matlub Ahmad, director of Nitol Motors -- Tata's sole distributor in Bangladesh.

That price compares with 141,000 Indian rupees (\$2,870) for a basic Nano model in India.

"We are now taking orders -- initially we'll sell 3,000 Nano cars. We

hope it will be a big hit in Bangladesh," Ahmad said, adding that the Nano's official [launch](#) would be in Dhaka on Saturday.

Both the Nano and other rival [small cars](#) produced by companies such as Maruti are significantly more expensive in Bangladesh as importers have to pay 132 percent tax on each [car](#), he said.

"The price will come down once we start assembling the car here. If the car becomes popular in Bangladesh, Tata has a plan to manufacture the car locally," Ahmad said.

"We anticipate the Nano will be very popular because it is extremely fuel efficient. You can drive more than 25 kilometres (15.5 miles) with a litre of [gasoline](#)," he said.

Petrol, diesel and [gas prices](#) have risen sharply in Bangladesh over the past year due to rising global oil prices and the phasing out of government fuel subsidies as Dhaka struggles to rein in its soaring imports bill.

The Tata Nano, billed by the company as the "people's car," generated worldwide interest when it was launched in 2008, and the company is already marketing it in Sri Lanka.

When the Nano was launched, it was expected to create a vast new market segment in India, a nation of 1.2 billion people, but its sales have fallen far short of the hopes.

Analysts attributed the Nano's poor sales to concerns over safety, lack of cheap financing and operational hiccups after production shifted to a new plant.

Last year, Tata was forced to offer free safety upgrades after around half

a dozen of the cars caught fire.

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