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Minutes of the Third Meeting of Indo-German Joint Working Group on Automotive Sector held on 18th April, 2011 at 1100 Hrs at New Delhi, India

The third meeting of the Joint Working Group on Automotive Sector was held on 18th April, 2011 at 1100 Hrs at New Delhi, India under the Co-chairmanship of Mr. Ambuj Sharma, Joint Secretary, Department of Heavy Industry, Govt. of India and Dr. Veit Steinle, Director General, Department of Policy Issues, Infrastructure and Environment Policy, Govt. of Germany. The list of participants is at Annexure-I.

2. Mr. Ambuj Sharma in his opening remarks, extended a warm welcome to the German delegation, and recalled that during the inaugural session both the Hon'ble Ministers of India and Germany have set in motion the right spirit for the Joint Working Group to proceed ahead. It was informed that both the Hon'ble Ministers of India and Germany have rightly stressed on the broad areas of cooperation and the JWG on automotive sector needs to go into specific areas of cooperation, so as to have a concrete road-map for the future and thus enable both countries to identify time lines for their achievement.

3. Dr. Veit Steinle thanked the Indian Government for extending a warm welcome and for hosting the 3rd meeting of the Joint Working Group on automobile sector. He appreciated that the Indo-German Joint Working Group (JWG) on Automotive Sector has been providing framework for close interaction, exchange of information and cooperation for the mutual benefit and growth of the auto sector of the two countries.

4. The agenda of the meeting was then taken up for deliberation. The record of deliberation and discussion on each agenda item is as under.

Agenda item no. 1: Adoption of the Minutes of the 2nd Bilateral Meeting of Indo-German Joint Working Group on Automotive Sector held on 22nd September, 2009 at Frankfurt, Germany

5. The minutes of the 2nd Bilateral Meeting of Indo-German Joint Working Group on Automotive Sector, held on 22nd September, 2009 at Frankfurt, Germany was mutually adopted.

Agenda item no. 2: Adoption of the Agenda for the 3rd bilateral meeting of JWG

6. The agenda was mutually agreed.

Agenda item no. 3: Discussion and agreement on extension/continuation of JWG/Sub-working groups and the modus operandi.

7. After due deliberation and discussion, both the German & Indian sides mutually agreed to extend the validity of the Indo-German Joint Working Group (JWG) on Automotive Sector, for another two years. Further, on the Joint Declaration of Intent, which was signed between the two countries on 6th Feb, 2009, the German side suggested that possible new areas to be added to the joint declaration of Intent can be explored during the deliberation.

8. Mr. Sharma, Co-chair, apprised the Joint Working Group that the three working sub-groups in the areas of (i) Technology, (ii) Commercialization and frame work development and (iii) Institutional cooperation, training and skill development have had a lot of discussion and deliberation, since they last met in Frankfurt, Germany during 21-22 September, 2009. Accordingly, Mr. Sharma requested the Indian co-chairs of the three sub-groups to present their reports relating to the progress, current status, outcomes, etc.

Agenda item no. 4: Presentation by Director, ARAI on working sub-group on Technology.

9. Mr. S.R. Marathe, Director, ARAI made a brief presentation (copy annexed) updating current status and progress of working for the sub-group on technology. It was apprised that a base paper on the technology sub-group had been submitted to the German team for comments in September, 2009. He briefed on the areas where German side would like to start the experience exchange.

10. It was further informed that the German side had been communicated in Dec, 2010 about the willingness to work on the information exchange on CO2 regulation, end of life technology and having a collaborative project in light weighting and alternate fuels. It was informed that light weighting is extremely important and will also be vital for growth of electric mobility. It is expected that in the next decade vehicles will see a reduction of 10% in their weight which translates to fuel economy of 5-8%. This is likely to be achieved through applying right materials rather than invention of new materials. It was also viewed that cooperation in electric mobility can happen in areas like Battery technology, Battery management systems, motors and controllers. After deliberation Dr. Steinle agreed on the five areas of cooperation viz. CO2 regulation, alternate fuels, end of life technology, light-weighting and electric mobility.

Agenda item no. 5: Presentation by NATRIP on working sub-group on Institutional Cooperation, Training and Skill Development

11. Mr. Saurabh Dalela, Addl. Director, NATRIP made a presentation, reporting the recent developments that have taken place in the working sub-group on institutional cooperation, training and skill development. It was explained that Passive Safety, Noise

Vibration & Harshness and Electromagnetic Compatibility are the areas identified for training. It was explained that on the institutions for cooperation regarding passive safety, it was agreed that VDA will propose the lead contact of Allgemeiner Deutscher Automobil Club (ADAC). Further, on noise, vibration and harshness, it was informed that VDA proposed to benchmark the work done by BMW, Volkswagen and University of Applied Sciences in Germany. Thirdly, regarding EMC, it was apprised that VDA confirmed that it would not be possible for cooperation in EMC training and VDA could not identify partner organization for this component in Germany.

12. Members were informed that as a way forward, VDA may provide the nodal person for facilitating training in Germany in the areas of Passive Safety (ADAC) and NVH (BMW/Volkswagen/ University of Applied Sciences).

13. Further, on the VDA side, it was informed by Dr. Martin Koers, Head of Division, Economic Policy and Strategy, VDA that they are in the process of planning for introducing a Quality Management Centre (QMC) in India, on the pattern of similar set up by VDA in Russia and China. It was further explained that the idea of having QMC is to develop the skills of the employees of suppliers /manufactures so that they are able to match the requirements of the OEMs. It was informed that they are currently in the process of establishing a QMC in India.

14. Mr. Sharma, Co-chair, India mentioned that realizing that India has a large, young middle age population, the Hon'ble Prime Minister of India has launched a national skill development program under which 500 million skilled jobs are to be created over the next decade and each ministry has identified its targets for skill development. It was informed that within DHI it is expected that at least 10 million people can be covered because as per the 10 year Automotive Mission Plan 2006-16; it has been clearly laid out that the growth of automotive industry in India will lead to creation of 10 million jobs both directly and indirectly. In this regard, DHI with industry has already set up a National Automotive Skill Development Council (NASDC). It was informed that as the next step, the NASDC will take up developing of curriculum for each level right up to soft floor level to dealer's level, including financial sector and for each level of a functionary. Thereafter, the training institutes including the industrial training institutes would be identified where training in various automobile trades can be carried out. It is hoped that in the next 6-9 months, this whole plan could be put in place. It was clarified that in this context, the VDA's QMC could play a lead role in this initiative.

15. Mr. Bernhard Steinrücke, Executive Director, Indo-German Chamber of Commerce informed that Indo-German Chamber of Commerce is already involved in vocational training in India for the last 20 years in their own training centres at Mumbai, Bangalore, Chennai and Kolkata. It was informed that quite a few of the auto

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manufacturers and component manufacturers are training some of their employees with them. It was further informed that a plan has been there for three years to establish a technical training institute, specifically for the automotive industry in Pune for which the blue-print has already been prepared. It was informed that except for land procurement and appropriate investment, the other work has been completed. It was further informed that the NSDC Chief, Mr. Dilip Chenoy has been briefed about this plan, and NSDC is also associated with this project. It was explained that the idea of having this technical institute is specifically for helping the automotive and component industry.

16. Dr. Veit Steinle, Co-Chairman informed that in the area of road safety, Germany has a National Road Safety Council at the federal level, and it was proposed that somebody from DHI or from the Indian Embassy in Germany could interact with this council to explore the possibility of cooperation. It was felt that road safety could also be taken as a training activity between the two countries.

Agenda item no. 6: Deliberations for further cooperation in the sub group on commercialization and framework development.

17. Mr. Vikram Gulati, Director, DHI and Co-chair of the working sub-group on commercialization and framework development, recalled the Hon'ble Minister's remarks in the inaugural session in terms of Electric Mobility as being one of the possible key areas of cooperation between the two countries. Further, it was informed that Hon'ble Minister in his remark had mentioned that Government of India had formally approved the National Mission for Electric Mobility and as part of that; Mr. Gulati informed that they are working on the specific details and developing a plan for the next 10 years. It was further apprised that an Apex body for this mission has been created much in the same manner as had been done in Germany. It was proposed that on the policy and other infrastructure related matters, there could be a lot of exchange of information and cooperation, which could be taken up under this sub-group.

18. Dr. Veit Steinle, Co-Chairman, agreed for the cooperation in this area and informed that soon, the German side would identify the key official responsible for the Electric Mobility. It was further informed that next time they would certainly make a short presentation about what is being done by Germany in this area.

19. Dr. Steinle informed that during the last meeting held in Germany it was agreed that Germany would provide details in possible areas of reduction in duplicate testing and also on the possibility of sending an expert from Germany to India on commercialization. It was agreed that these issues would be taken up by Germany now.

Agenda item no. 7: Review of the progress made and discussion on further road map for the three sub groups

20. Dr. Martin Koers, Head of Division, Economic Policy and Strategy, VDA mentioned that the VDA does not hold the idea of having three sub-working groups, it was proposed that instead, focusing on certain items/issues which are of greater importance for the Joint Working Group can be a better option. He further requested the Joint Working Group to allow him to make a presentation where he could explain the overall issues which as per VDA are of high priority for further discussion.

21. Dr. Koers, made a detailed presentation on the Perspectives and Key Future Challenges of the German Automotive Industry (copy annexed). At the outset, the CO2-regulation in Europe was explained and mentioned that worldwide harmonization of different bases for CO2 standards is required to strengthen the competitiveness of all manufacturers. Further, on the perspective of the car industry, it was informed that Biofuels help manufacturers to reach CO2-target values and are the more cost-efficient when compared to many other vehicle technologies and deliver a high potential of CO2 reduction.

22. Further, on the issue of e-mobility, it was clarified that VDA sees this development in the context of the worldwide strategy on clean and energy-efficient vehicles, and e-mobility represents a part of the sustainable transportation. Dr. Koers viewed that, in the past, both the sides perhaps wanted to have too many subjects but probably the end result could not be productive. Instead, it was proposed that projects which challenge the future should therefore, be part of the Joint Working Group like Open Markets / Free Trade, CO2 regulation, Biofuels, Fuel Quality, E-Mobility and End of Life Technology.

Agenda item no. 8: Deliberations on the status of the current challenges for the Automotive Industries in both Countries.

23. Mr. Sharma, Co-chair, Indian side appreciated the VDA's point of view and informed that it would be better for issue of Open Market/Free Trade, to be taken up through the formal mechanisms that already exist for this purpose. It was informed that India-EU trade negotiations are already in process and the lead negotiator from India belongs to another Ministry and DHI is a part of the negotiating mechanism. This process is already going on and is in the final stages of culmination. It was clarified that cooperation in other suggested areas like CO2 regulation, Bio fuel, End of life; Electric Mobility, Skill Development etc. are agreed upon. It was informed that the strategy that German Government had followed for e-mobility by bringing all ministries under one forum and to have national consensus and national initiative has also been followed by

India. Further, Mr. Sharma requested that the first report on e-mobility released in Nov, 2010 by German Government may be made available to Indian Government.

24. Mr. Sharma suggested that on the areas like CO2 regulation, Bio fuel, End of life, Electric Mobility, Skill Development some small groups could be evolved, which could actually interact very closely and achieve identified milestones which can be constantly reviewed. Similarly, on other issues, it was suggested that German side could also identify nodal points for proper exchange of information, in order to take up these issues in the meeting to be held in late May, 2011.

25. Dr. Veit Steinle, Co-Chair agreed to share the first report (on electric mobility) released in Nov, 2010, and it was mentioned that the second report would also be released in May, 2011 and thereafter the German Government would react on the report which would take some more time and later this report after it is finally approved, could also be shared with Indian side.

26. Dr Koers, VDA viewed that there is no need to have three sub-groups under the Joint Working Group. It was felt that these sub-groups create complexity and issues of finding people to lead these sub-groups are also a problem. It was suggested that, as an alternative, if both sides identified key projects, which could be taken up by the lead companies/institutions identified by both the countries, the end result could be achieved in a time bound manner.

Agenda item no. 9: Deliberation and agreement for the next meeting of the sub groups and the JWG

27. After due deliberations and discussions under the different agenda items, Mr. Gulati with due permission of both the Co-chairs, summed up the proceedings and stated that the VDA's request on the working mechanism for the JWG and their thought about how to proceed ahead with perhaps more limited areas of cooperation could be taken up separately by both the sides as administrative approvals would be required. Dr. Steinle agreed that this can be discussed between India and Germany separately wherein both the sides can give their opinion.

28. It was further submitted that there is commonality and clarity on the fact that electric mobility is one of the areas where both sides agree to interact and cooperate strongly, as under this, there are many sub areas like infrastructure, policy issues, light weighting, etc. wherein good cooperation is possible. The other important area for cooperation is the skill up gradation where the German counterparts are also doing some work in India. It was proposed that these two main thrust areas could be taken up in the meeting at the end of May, 2011. On the other areas agreed (like CO2 regulations, alternate fuels, light weighting and end of life technology), it was suggested

that the lead agencies identified by the German and Indian side could carry on interacting to take ahead the cooperation. It was also agreed that both the sides would formally communicate to each other whether the proposal to wind up the three sub-working groups is agreed upon or not.

29. VDA informed that India Day Celebrations would be held on 15th of September, 2011 during the IAA Motor Show in Frankfurt, Germany and invited the Indian delegation to attend the same. The Indian side informed that they look forward to having the 4th meeting of the Joint Working Group on sidelines of IAA Show Frankfurt, Germany next year.

30. The meeting ended with thanks to the two Co-chairs.

List of participants

Annexure-I

Indian side

1. Mr. Ambuj Sharma, Joint Secretary ----- Co-chairman JWG
2. Mr. Vikram Gulati, Director, DHI
3. Mr. Anand Prakash, Director, MoRTH
4. Mr. Sajid mubashir, Director, DST
5. Mr. P Kalyanasundaram, Director, MoPNG
6. Mr. Santosh Kr. Vatsa, MoF
7. Mr. A.P S Chauhan, M/o External Affairs
8. Mr. R.S Bisht, D/o Commerce
9. Mr. G.K Acharya, DGM, IOC(R&D)
10. Mr. V.P Singh, Director(Infra), Natrip
11. Mr. Saurabh Dalela, Director, ICAT
12. Mrs. Pamela Tikku, ICAT
13. Mr. Vishnu Mathur, DG, SIAM
14. Mr. K.K Gandhi, Director(T), SIAM
15. Mr. A.S Puri, vice President, Tata Motors
16. Mr. Arvind Kapur, MD, Rico Auto
17. Mrs. Subhag Naqvi, ACMA
18. Mr. S.R Marathe, Director, ARAI

German Side

1. Dr. Veit Steinle, Director General, Department of Policy Issues, Infrastructure and Environment Policy -- Co-Chairman JWG
2. Ms. Anna Luise Stille,
3. Mr. Jan-Axel Voss, Counsellor (Transport/Environment/Reneables)
4. Dr. John Chacko, Volkswagen Group India
5. Bernhard Steinrücke, Indo-German Chamber of Commerce
6. Dr. Martin Koers, VDA
7. Dr. Thomas Becker, BMW Group
8. Volker Hoff, Opel AG
9. Mr. Jogender Singh, Daimler India
10. Mr. Pankaj Gupta, VWIPL