

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
DEPARTMENT OF HEAVY INDUSTRY

RAJYA SABHA
UNSTARRED QUESTION NO. 2582
TO BE ANSWERED ON 18.02.2014

Stress in automobile industry

2582. SHRI RAJKUMAR DHOOT:

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

- (a) whether Government is aware that the automobile industry of the country is under stress due to non sale of products particularly trucks and other heavy vehicles and cars etc., and also for other reasons;
- (b) if so, the details thereof; and
- (c) the details of remedial measures Government proposes to take to protect the automobile industry?

ANSWER

MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
(SHRI PRAFUL PATEL)

(a)& (b): Yes, Sir. At present, the automobile sector is under stress due to low sale of products particularly trucks and other heavy vehicles and cars etc., and also for other reasons i.e high rate of duties on various kind of vehicles ,high interest rates, low growth of export markets, high and varied rate of road taxes, embedded tax structure.

The details of domestic sales of various vehicles in the period April 2013 to January 2014 are as follows-

Category	Domestic Sale		
	April- January		
Segment/Sub segment	2012-13	2013-14	%Change
I Passenger Vehicles (PVs)			
Passenger Cars	15,34,868	14,54,692	-5.22
Utility Vehicles (UVs)	4,51,937	4,31,192	-4.59
Vans	1,94,748	1,62,011	-16.81
Total Passenger Vehicles (PVs)	21,81,553	20,47,895	-6.13
II Commercial Vehicles (CVs)			
M&HCVs			
Passenger Carriers	36,937	31,561	-14.55
Goods Carriers	1,80,631	1,29,259	-28.44
Total M&HCVs	2,17,568	1,60,820	-26.08
LCVs			

Passenger Carriers	38,784	34,882	-10.06
Goods Carriers	3,83,515	3,24,953	-15.27
Total LCVs	4,22,299	3,59,835	-14.79
Total Commercial Vehicles	6,39,867	5,20,655	-18.63
III Three Wheelers			
Passenger Carriers	3,70,873	3,23,985	-12.64
Goods Carriers	79,768	76,781	-3.74
Total Three Wheelers	4,50,641	4,00,766	-11.07

(c): The Govt., after extensive consultation with all stakeholders, including the industry, launched the **Auto Mission Plan 2006-16**. The Mission Plan is the cornerstone of the government policy for the automobile sector. Various steps have been taken by Govt. in pursuance of Automotive Mission plan 2006-16 to promote investment and capacity creations in the auto manufacturing sector. Further, initiatives have also been taken in various other areas in order to strengthen the sector in the country; such as setting up of **Auto Sector Skill Development Council (ASDC)**, support to R&D projects through automotive cess funding, starting a ₹ 2288 crore project, namely **National Automotive R&D Infrastructure Project (NATRIP)** for setting up of world class infrastructure for homologation and testing, setting up of the **National Automotive Board (NAB)** as a repository of auto R&D expertise and an apex coordination body to address the need of collaborative R&D and for synergizing the activities of NATRIP centres; ensuring future fuel security along with mitigation of fuel-emission impact on environment through the newly approved **National Electric Mobility Mission Plan 2020**. The Auto Mission Plan 2006-16 is being reviewed in order to see that the objectives of making India an auto export hub and a centre for auto designing and quality assurance, are in conformity with the Mission Plan. The Department has reviewed the implementation of all the above initiatives regularly and has given a number of suggestions on policy formulation and implementation to the concerned stakeholders, including Ministry of Finance and Planning Commission for lowering of excise duty on vehicles, particularly on heavy vehicles and for duty drawback on export and adequate allocation of funds in the budget each year. The Government also decided to purchase 10,000 buses under the **JNNURM-II** scheme.
