

9th  
F.No. 12/28/2006-AEI (Vol.V)  
Government of India  
Ministry of Heavy Industries & Public Enterprises  
Department of Heavy Industry  
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Dated the 31<sup>st</sup> August 2016

To

As per list enclosed.

**Subject: Record of discussion of the 9<sup>th</sup> Indo-German Joint Working Group Meeting held on 5<sup>th</sup> February 2016 at India Exposition Mart, Greater Noida, UP.**

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Sir,

The undersigned is directed to forward a copy of the record of discussion of 9<sup>th</sup> meeting of the Indo-German Joint Working Group on Automotive Sector held on 5<sup>th</sup> February 2016 at India Exposition mart, Greater Noida, Uttar Pradesh under the co-chairmanship of Shri Rajesh Kumar Singh, Joint Secretary (Auto), D/o Heavy Industry and Dr. Veit Steinle, Director General, Policy Principles, Federal Ministry of Transport and Digital Infrastructure, Germany for information.

2. This has the approval of competent authority.

Encl: As Above.

Yours faithfully

(Ajay Kumar Gaur)

Under Secretary to the Govt. of India

Tel.No.23061340

Email: [ak.gaur@nic.in](mailto:ak.gaur@nic.in)

Copy to:-

1. Shri R.K.Singh, Joint Secretary, Department of Heavy Industry, Co-chairman, Indo-German JWG on Automotive Sector.
2. Dr. Veit Steinle, Director General, Policy Principles, Federal Ministry of Transport and Digital Infrastructure, Germany/ Co-chairman, Indo-German JWG on Automotive Sector.

अजय कुमार गौर / AJAY KUMAR GAUR  
अजय कुमार गौर / Under Secretary  
भारत सरकार एवं भारत-जर्मन संयुक्त  
Ministry of Heavy Industries & Public Enterprises  
भारत-जर्मन संयुक्त कार्य समूह, ऑटोमोटिव सेक्टर  
Udyog Bhawan, New Delhi

## LIST OF ADDRESSEE

To

1. The Joint Secretary (T), M/o Road Transport & Highways, Transport Bhawan, New Delhi.
2. The Joint Secretary, M/o Petroleum & Natural Gas, Shastri Bhawan, Shastri Bhawan, New Delhi.
3. The Joint Secretary (Europe), M/o External Affairs, South Block, New Delhi.
4. The Joint Secretary, D/o Commerce, Udyog Bhawan, New Delhi.
5. The Joint Secretary, M/o Environment, Forest & Climate Change, Indira Paryavaran Bhawan, Jor Bagh, New Delhi.
6. Shri Sanjay Bandopadhyay, Chief Executive Officer, NATRIP, Lodhi Road, New Delhi.
7. Shri S.K.Chaturvedi, Chief Executive Officer, Auto Skill Development Council (ASDC), New Delhi.
8. Shri Vinod Dasari, President, Society of Indian Automobile Manufacturers (SIAM), New Delhi.
9. Shri Rattan Kapur, President, Auto Component Manufacturers Association (ACMA), New Delhi.
10. Shri Vishnu Mathur, Director General, Society of Indian Automobile Manufacturers (SIAM), New Delhi.
11. Shri Vinnie Mehta, Director General, Auto Component Manufacturers Association (ACMA).
12. Mrs. Rashmi Urdhwarshe, Director, Automotive Research Association of India (ARAI), Pune.
13. Director, International Centre for Automotive Technology (ICAT)
14. Director, Central Institute of Road Transport (CIRT)
15. Director, Vehicle Research and Development Establishment (VRDE).
16. Mr. Sugato Sen, Deputy Director General, Society of Indian Automobile Manufactures (SIAM), New Delhi.
17. Mr. K.K.Gandhi, Executive Director, SIAM, New Delhi
18. Ms Angela Mans, Head of Foreign Trade & International Relations, VDA, Germany.
19. Mr. Dominik Borowski, Division Electric Mobility, Federal Ministry of Transport and Digital Infrastructure, Germany.
20. Mr. Christian Theis, Head of Division LA 20, Automotive Engineering (Vehicle Safety and Innovative Technologies), Federal Ministry of Transport and Digital Infrastructure, Germany.
21. Mr. M.R.Saraf, Sr. Deputy Director, Incharge – Technology Roadmap, ARAI, Pune.
22. Mr. Vinod Pandey, Head- Government and External Affairs, BMW Group India.



**RECORD OF DISCUSSION OF THE 9<sup>TH</sup> INDO-GERMAN JOINT WORKING GROUP MEETING  
HELD ON 5<sup>TH</sup> FEBRUARY 2016 AT INDIA EXPOSITION MART, GREATER NOIDA, UP**

The 9<sup>th</sup> Indo-German Joint Working Group meeting was held on the side lines of Auto Expo – The Motor Show 2016 on February 5, 2016 in India Exposition Mart Limited, Greater Noida, under the chairmanship of Shri Rajesh Kumar Singh, Co-chairman (India), Indo-German Joint Working Group & Joint Secretary, Department of Heavy Industry, Ministry of Heavy Industries & Public Enterprises, Government of India. The German side was led by Dr. Veit Steinle, Co-Chairman (Germany), Indo-German Joint Working Group & Director-General, Policy Principles, Federal Ministry of Transport and Digital Infrastructure, Germany.

**1) Introduction**

At the outset, Shri Rajesh Kumar Singh, Chairman welcomed the German delegation and the other participants. He requested for a round of introduction and shared the latest updates about the Indian automotive industry. He shared the following developments:

- a) Current year is the terminal year for the Automotive Mission Plan 2006-16 and the performance of the industry in the mission period has been satisfactory.
- b) Government of India has started conceptualizing the next phase of Automotive Mission Plan 2016-26, which will be finalised by Government shortly.
- c) India has decided to leapfrog from BSIV to BSVI in the year 2020.
- d) The special support scheme "Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India" (FAME-India) will provide the much needed impetus to creation of demand and an overall ecosystem to encourage electric vehicles in the country.
- e) Supreme Court has banned registration of diesel motor vehicles of engine capacity more than 2,000 cc in the National Capital Region of Delhi. This is seriously impacting some of the automotive industry players.
- f) Introduction of Odd and Even scheme by Delhi Government for restricting vehicle movement within Delhi.

He requested the German delegation for support in the following areas:

- a) Greater cooperation in Auto electronics for increasing domestic manufacturing and value addition to 'Make in India' scheme a success.
- b) Cooperation on homologation as India would be leapfrogging from BSIV to BSVI in next four years

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Mr R K Singh closed his remarks by assuring support to the Indian automotive industry in all ways to enable the industry have a level playing field in the global scenario.

Dr. Veit Steinle thanked Mr R K Singh and rest of the Indian team for their warm welcome to the German delegation. He emphasized the importance of automobile industry to economies of various countries, in terms of investment, jobs, etc. and also the challenges the industry faces. He suggested that the working group should regularly meet to discuss developments and challenges faced by both the economies.

## 2) Automotive Market Overview

Ms Angela Mans, Head of Foreign Trade & International Relations, VDA, started with the presentation on the German Automotive Market. She gave an overview of World Economy, international automotive markets, and focused on the Indian and German automotive industry in her presentation. Her presentation showed a positive trade balance for India vis-à-vis Germany in passenger vehicle trade.

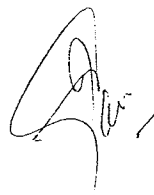
Mr Sugato Sen, Deputy Director General, Society of Indian Automobile Manufacturers (SIAM) gave a presentation on the Indian automobile industry. He covered the current and past performance of the industry and also showed a chart on India improving its global position in the vehicle production ranking. He also covered the bilateral trade position in the automotive sector between India and Germany and highlighted that while the CBU trade balance between India and European Union may be positive for India, if we include trade in CKDs then the trade balance is in favour of European Union.

## 3) India's Automotive Mission Plan 2016-26 (Make in India) : Focus and Priorities

Mr Pravin Agarwal, Director, Department of Heavy Industry made a presentation on the Automotive Mission Plan (AMP) 2016-26 and Faster Adoption and Manufacturing of Electric vehicles (FAME) Scheme for Electric Mobility. He spoke about the contribution of auto industry to the Indian economy.

He also spoke about the targets set and objectives of the AMP 2016-26 and also ensured support from Government to achieve these target and objectives. He also spoke about other programmes of Government of India, i.e. 'Make in India' programme, 'Skill India' programme.

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Mr. Agrawal then moved on to present about the FAME scheme. He informed the participants that Government of India has given accordance to the FAME India scheme. He informed that following are the areas the scheme focuses upon:

- Technological Development
- Pilot Projects
- Charging Infrastructures
- Demand Incentives

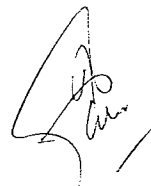
VDA observed that for investment in the automobile industry to increase it is important for India to lower the Duties on CBUs and India could consider maintaining higher duties on a few sensitive vehicle segments, while on other segments it could be lowered.

Mr R K Singh responded and informed that while Government of India has been very liberal in its trade and investment policies in the automotive sector, Government also has to ensure that duty reductions do not result in an inverted duty structure or diversion of investments, in order to continue encouragement to local manufacturing and the Make in India principle.

#### 4) Electric Mobility in Germany and in India

Mr Dominik Borowski, Division Electric Mobility, Federal Ministry of Transport and Digital Infrastructure, Germany, made a presentation on the status of electric vehicles in European Union.

He informed that currently the challenges for the transport sector are that it is highly dependent on the availability of fossil fuels and oil resources and the need for transport is continuously increasing. Oil reserves are limited and are fast depleting and hence should lead to an increase in oil prices in the future. He also informed that the German transport sector needs to focus on electric mobility to achieve the Federal Government's target of reducing CO2 emissions for which the final energy consumption of the transport sector needs to reduce by about 10 % by 2020 and by about 40 % by 2050 (compared to 1990).



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He emphasized on electric vehicles being the solution for sustainable mobility. Federal Government in Germany has introduced Electric Mobility Act in June 2015 as per which the following regulations have been made:

- Definition of electric vehicles to be given privileges
- Designated number plates
- Parking privileges
- Appropriate Signages
- Possibility of use of bus lanes
- Exemption from access limitations

He also shared the current market situation of electric vehicles in Germany.

#### 5) Update on New Safety Regulations in Germany

Mr Christian Theis, Head of Division LA 20, Automotive Engineering (Vehicle Safety and Innovative Technologies), Federal Ministry of Transport and Digital Infrastructure, Germany, made a presentation on Activities to improve road safety in Germany. He shared the following in his presentation:

- Road Safety – Statistics and Road Safety Program
- Automated and Connected Driving
- Digital Test-area Autobahn
- Innovative Technologies and Driver Assistance System
- Periodical Technical Inspection

He shared the data on road traffic fatalities in Germany from 1953 to 2014 and informed that through multiple road safety programs, which include speed limits, mandatory helmet usage, mandatory seatbelt usage and introduction of blood alcohol content (BAC) limit, they have been able to significantly reduce road fatalities to a low level of 3,377 numbers in 2014.

Going forward, he informed that it would not be possible to further reduce the road fatalities dramatically. However, through improvement in vehicle technology the Federal Ministry of Transport and Digital Infrastructure, Germany would try to reduce fatalities to achieve the political target set. As per the Road Safety Programme - 2011 to 2020, Federal Government in Germany targets to reduce road fatality by 40%.



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He informed that under the Road Safety programme, action areas are grouped in three brackets, which are human factor, infrastructure and automotive engineering. Actions taken in 'Human Factor' area include safety campaigns, accompanied driving since 17", in 'Infrastructure' include Motorcycle friendly roads, speed monitoring, traffic management systems, and in 'Automotive Engineering' include new technologies (like driver assistance system, eCall system), active safety (ABS for motorcycles) and electric vehicles.

He further informed that Strategy for Automated and Connected Driving was launched by Federal Government of Germany in September 2015. Federal Government of Germany has also introduced a Digital Test-area Autobahn (DTA) where innovations can be tested, evaluated and developed.

Innovative Technologies and Driver Assistance Systems and Federal Government of Germany have set up a working Group in Geneva to develop the requirements for automatic steering functions which supports Park Assistant, Lane Keep Assistant, Lane Change Function etc.

He also informed that Germany has a very robust Periodical Technical Inspection (PTI) under which vehicles are tested at regular interval and the testing methods are continuously improved.

6) **Developments in technical regulations and update on New Safety Regulation in India**

Mr K.K.Gandhi, Executive Director, SIAM made a presentation on the development in CO2 regulations, Vehicular Emission Norms & on the Diesel car ban. He informed that the Government of India has notified the final fuel consumption standard in April 2015, as per which fuel consumption targets are to be achieved in two phases as follows:-

- 1) 2017 – a target of 130 gm/km
- 2) 2022 – a target of 113 gm/km

He also informed that there are still a few open points, which the Government has to notify, which include -

- a) Reporting Period
- b) Type Approval and CoP for CO<sub>2</sub> Compliance
- c) CO<sub>2</sub> Reducing Technology Factors
- d) System of Credits
- e) CO<sub>2</sub> Credits & Debits Management

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- f) Penalty for Non Compliance
- g) Labeling Program for Cars

Ministry of Petroleum and Natural Gas, Government of India is also working on the Fuel Efficiency Regulations for Heavy Duty Vehicles. Petroleum Conservation Research Association (PCRA), the nodal agency, is proposing Constant Speed Fuel Consumption method at a constant speed of 40 km/hr and 60 km/hr. In the first phase, standards for M3 category, N3 rigid category & N3 Tractor Trailer would be released.

He then moved on to the slides on vehicular emission norms and informed about the discussions with Auto Fuel Policy Committee and other Government Department on implementation of BS V and BS VI. As per Auto Fuel Policy, the implementation of BS V and BS VI should have happened in 2020/21 and 2024, respectively, whereas Government has now announced implementation of BS VI by 2020 after leapfrogging BS V. The industry has agreed to support these advanced timelines and to put in their best efforts in the interest of environment protection.

Mr Gandhi also informed that due to issues of increasing pollution in New Delhi, the Supreme Court has banned registration of diesel cars of 2000cc + engine capacity. He also highlighted that growing pollution is a problem in the capital, however, as the study of Indian Institute of Technology, Kanpur suggests less than 2% of the total pollution is due to all types of passenger cars.

On the new safety regulations, he informed that the following new safety standards have been implemented:

- 1) Antilock braking system for M3, N3 From 1 Apr 2015 for new vehicles
- 2) Fitment of rear marking plate for N3, N2, T Category From 1 Apr 2015
- 3) Speed limiters for select categories of vehicles, 1<sup>st</sup> October 2015
- 4) Interior fittings in other than M1 category vehicles from 1st April 2013
- 5) Upgraded standard for rear and side underrun device for M2, M3, N2, N3 category from 1 Oct 2014
- 6) Electromagnetic compatibility for BS IV models from 1 Oct 2015
- 7) Bus Body Code for M3 category from 1 Oct 2014 for new vehicles
- 8) Provision of child restraint system for M1 category from 1 Apr 2015



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He also informed about the upcoming safety initiatives, which include the following:

- 1) Bharat New Vehicle Safety Assessment Program under which, starting in 2017, passenger vehicles sold in the country will be assessed for their safety performance and assigned Star ratings
- 2) Vehicle crash protection to make the vehicles safer for occupants and to reduce the fatality rates, implementation dates provided in the below table:

Subject	Standard	Implementation Dates	
		New Model Date	All Model Date
		SO 1139(E)	SO 1139(E)
Full Frontal	AIS 096 /2008	1 <sup>st</sup> Oct 2017	1 <sup>st</sup> Oct 2019
Offset Frontal	AIS 098 /2008	1 <sup>st</sup> Oct 2017	1 <sup>st</sup> Oct 2019
Lateral Impact	AIS 099 /2008	1 <sup>st</sup> Oct 2017	1 <sup>st</sup> Oct 2019
Pedestrian Protection	AIS 100 /2010	1 <sup>st</sup> Oct 2018	1 <sup>st</sup> Oct 2020

Also, he informed that there are many safety initiatives in discussion at present, which includes the following:

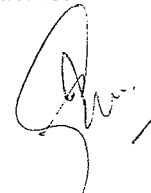
- 1) Safety of occupants of 3 Wheeler
- 2) Mandatory ABS fitment for two-wheelers

**7) Update on Radio Frequencies & ELV – India**

Mr. Sanjeev Mandpe, Daimler, made a presentation on radio frequencies and informed that SIAM is in discussion with Department of Telecommunications (DoT) and has requested Government for delicensing of various radio frequency bands used by the Automotive Industry for enhancing road safety.

At the request of SIAM, frequency bands 76-77 GHz and 433 to 434.79 MHz have already been delicensed. Automotive Industry further requires 24 GHz (UWB) and 79 GHz (UWB) to be delicensed to introduce manufacture of radar based driver assistance applications in India.

On End of Life of Vehicle, Mr. Mandpe informed that End-of-Life Vehicle regulation, AIS 129 is finalised and published by the Government of India. The draft notification for notifying the regulation is being worked out by the Automotive Industry Standards Committee (AISC). A policy paper on implementation of ELV regime in India is being prepared. Government of India is also in the process of formulation a scrappage policy for the older vehicles.



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He informed that the critical points going forward would be to finalize the amendment to rules/acts under which the ELV standard can be notified and roll out a mechanism for upgradation of existing informal sector and creation of new dismantling infrastructure in India.

8) **Status of R&D and Technology Development activities and initiatives**

Mr. Sanjay Bandopadhyay, Chief Executive Officer, NATRiP made a presentation updating participants on its testing and homologation centres. He informed about the following centres:


- 1) Setting up of testing and homologation centers at ICAT-Manesar, Haryana and GARC-Oragadam, Chennai, Tamil Nadu.
- 2) Up-gradation of existing centers at ARAI-Pune and VRDE-Ahmednagar in Maharashtra.
- 3) World-class Proving Ground at NATRAX- Pithampur, Madhya Pradesh.
- 4) Hill Area Driving Training Centre and In-Use Vehicle Inspection & Maintenance Centers in North East at NIAIMT-Silchar, in Assam.
- 5) Centre for Testing of Tractors and Off-Road Vehicles with national facility for accident data analysis at NCVRS-Rae Bareli, Uttar Pradesh

He informed about the R&D facilities, inspection & Certification Centers, BNVSAP & Crash test facilities at NATRiP Centers and shared images of the facilities.

Mr. M R Saraf, Sr. Deputy Director, Incharge – Technology Roadmap, the Automotive Research Association of India (ARAI) made a presentation on Overview of Automotive Technology Development & R&D Projects at ARAI. He informed that their R&D strategy for Automotive Technology Development is based on the projects which are in advanced technologies, regulation driven and have significant national importance.

ARAI technology roadmap plan is to develop Hybrid Electric Vehicle Technology and Light Weight Passenger Bus Technology. He also shared the specific details about technology being developed and projects done recently.

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9) CO2 Regulation- Status and Way Forward

A presentation was made by Mr. Vinod Pandey, Head - Government and External Affairs, BMW Group India, made a presentation on the status and way forward for CO2 Regulations in Germany.

He informed that the CO2 target in 2020/21 is 95g for the EU fleet. However, there are issues with the implementation, i.e. if WLTP (the new test procedure) is introduced before 2020 targets will have to be translated as per WLTP. EU Commission is preparing a CO2 strategy paper for transport and a proposal for a 'post 2020' CO2 regulation. He also informed that Diesel will continue to play an important role in European economies to meet strict CO2 emission targets.

He concluded by stating that a strategic approach towards diesel is required to enable India meet its climate change commitments and to address the energy security concerns. He also informed that concerns regarding higher PM and NOx emissions for diesel can be significantly mitigated with adoption of EURO 6 technology. However, he emphasized that with accelerated adoption of EURO 6 standard in India, it is vital to have high quality EURO 6 fuel to achieve this objective.

Ms Angela Mans shared findings of a study by Independent ADAC (General German Automobile Club - 18 mn members), as per which there is no co-relation between engine size and emissions performance. The study states that, if at all, there is a tendency "the bigger the vehicle the more expensive and effective are the emissions treatment devices". She raised her concern with regards to ban of diesel car registration for vehicles with engine capacity >2000 cc. She stated that banning diesel vehicles and setting arbitrary engine displacement thresholds without giving sufficient transition time result in significant business risks and distortion of competition. This also goes against the Government's endeavour to provide transparent and consistent policy and regulatory framework. Such actions shake the confidence of foreign investors and impede more investments.

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## 10) Commercialisation & Framework Development

Mr Sugato Sen made a presentation on commercialization and framework development for Indian automobile industry. He informed that auto industry is important for the Indian economy and hence, in 2002, Government of India had launched the Auto Policy 2002. Based on the Auto Policy 2002, all the mission plans for the auto industry has been drafted.

He shared the targets vs. achievement of the Automotive Mission Plan 2006-16 and the vision and targets of Automotive Mission Plan 2016-26. He also updated the participants about the current excise duty rates and other taxes, and the overall cascading impact due to the various taxes. He also shared the prevailing import duty structure on different vehicle segments and other taxes which are applicable on imports.

He informed that the trade policy in India is WTO compliant. Some features are as below:

- 1) No Restrictions on import- no Quantitative Restrictions
- 2) No localisation requirements
- 3) No export obligation
- 4) No R&D requirement
- 5) 100% FDI allowed
- 6)  $\leq 10\%$  tariffs except for CBUs and SKDs
- 7) No differentiation in domestic taxation for imports
- 8) Conditions of import – Emission & Safety norms as applicable to domestic companies

He also updated on the trade agreements India has signed and the agreements currently being negotiated.

A question was raised by VDA on the complexity of tax structure on vehicles in India. Mr. Sugato Sen informed that GST is currently being drafted by the Ministry of Finance and this would significantly simplify the tax structure and bring it more in line with international practices.

VDA also expressed hope that in the India-EU BTIA negotiations, some consensus can be arrived at on trade in the auto sector and the Agreement is finalized at an early date.

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11) Aftermarket

Ms Angela Mans informed that VDA has a department working on after market and has released a position paper on international harmonization on parts. The position paper is being discussed in the UNECE meetings.

Mr Vishnu Mathur clarified that the Aftermarket was added in the agenda of the JWG as the Indian aftermarket is plagued by counterfeit spare parts and India could learn from Germany how this menace has been effectively controlled in the European markets. VDA informed that in Germany they have regulated their aftermarket and they differentiate between parts supplied by OEMs and other suppliers. Sale of all such aftermarket parts is regulated in Germany.

12) Training & Skill Development

Ms Dipti Dubal and Mr Nimish Agarwal, TUV SUD South Asia, made a presentation on training and certification on the products and solutions provided by TUV SUD.

Dr Veit Steinle congratulated ACMA and SIAM on successfully organizing the Auto Expo 2016.

Mr R K Singh thanked all participants for joining the meeting and invited all the participants for Lunch.

Chairman thereafter called the meeting to a close.

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