

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

LOK SABHA
STARRED QUESTION NO.244
TO BE ANSWERED ON 13.03.2018

National Automotive Policy

244. SHRI SUDHEER GUPTA:
SHRI GAJANAN KIRTIKAR:

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

- (a) whether the Government is in the process of formulating the National Automotive Policy;
- (b) if so, the details including the aims and objectives thereof along with the time by which it is likely to be finalised and brought into force;
- (c) whether the investment and production capacities have increased in the automobile industry under the Automotive Mission Plan;
- (d) if so, the details thereof along with the contribution of the automobile industry to the GDP of the country; and
- (e) the number of persons provided jobs under the above Plan along with the steps taken/being taken by the Government to create more jobs in the automobile industry?

ANSWER

MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
(SHRI ANANT G. GEETE)

(a) to (e): A statement is laid on the Table of the House.

STATEMENT

Statement referred to in reply to parts (a) to (e) of Lok Sabha Starred Question No. 244 for 13.03.2018 asked by Shri Sudheer Gupta Hon'ble MP & Shri Gajanan Kirtikar Hon'ble MP regarding "National Automotive Policy".

(a) & (b): Yes, Madam. The Department of Heavy Industry, Ministry of Heavy Industries & Public Enterprises has finalised a draft National Automotive Policy, which is available in public domain (www.dhi.nic.in) for seeking comments from all stakeholders, including the Automobile Manufacturers (OEMs) and Industry Associations. The policy is to be finalised after analysing the comments/views received, following due procedure.

The draft National Automotive Policy is aimed at providing a long-term, stable and consistent policy regime and to have a clear technology-agnostic roadmap for the automotive industry, making India a globally competitive auto R&D and manufacturing hub and achieving the targeted objectives of green mobility. The policy covers the time horizon upto 2028.

(c) to (e): Automobile industry was delicensed in July 1991 with the announcement of the New Industrial Policy. The norms for foreign investment and import of technology have also been progressively liberalised over the years for vehicle manufacturers. At present, 100% Foreign Direct Investment (FDI) is permissible under automatic route in this sector.

The Indian Automotive industry has some important milestones over the past two decades. In terms of global rankings in manufacturing output, it is at present, second largest in two wheelers, eighth largest in commercial vehicles, sixth largest in passenger vehicles and the largest in three wheelers and tractors.

As reported by the Society for Indian Automobile Manufacturers (SIAM), the investment and production capacities have increased during the period of Automotive Mission Plan 2006-16, as mentioned below:

- Investments exceeded Rs. 1,60,000 crore (US\$35 billion).
- Production increased to make the turnover of the industry INR 6,12,361 crore.

As per the review of Automotive Mission Plan 2006-16, the automotive industry's turnover is equivalent to 7.1% of the GDP. About 22 million additional jobs were supported by automotive industry during the Automotive Mission Plan 2006-16.
