

**GOVERNMENT OF INDIA
MINISTRY OF LABOUR AND EMPLOYMENT
LOK SABHA**

**UNSTARRED QUESTION NO. 2170
TO BE ANSWERED ON 02.12.2019**

CONTRACT EMPLOYEES IN AUTO INDUSTRIES

**2170. SHRI VINOD KUMAR SONKAR:
DR. SUKANTA MAJUMDAR:**

Will the Minister of LABOUR AND EMPLOYMENT be pleased to state

- (a) whether the decline in growth in the auto industry over the last one year, has affected and resulted in the laying off of 8-10 lakh contract employees in recent months in the auto parts sector;**
- (b) if so, the details thereof;**
- (c) whether the job cuts are happening around the hubs and by at least 10-15 per cent in each of the companies;**
- (d) if so, the details thereof;**
- (e) whether the domestic passenger vehicle industry has recently recorded its worst performance in the past two decades due to poor sale figures of commercial vehicles and two-wheelers, higher insurance costs, volatile stock markets and a liquidity squeeze in a slowing economy; and**
- (f) if so, the details thereof and the other steps being taken by the Government in this regard?**

ANSWER

**MINISTER OF STATE (IC) FOR LABOUR AND EMPLOYMENT
(SHRI SANTOSH KUMAR GANGWAR)**

(a) to (f): As per inputs received from the Ministry of Heavy Industries and Public Enterprises, there is cyclical slowdown across sectors including automobile sector since past few months. But the festival demand has shown year on year growth @ 0.3% in the Passenger Vehicle Segment. Retrenchment of temporary workers has been reported by the industry. However, no confirmed data on job loss is available with the Government. Some of the steps taken by the Government to boost the automobile industry are as follows:

- Reduction of Corporate Tax to 22%**
- Continuation of registration of ICE and EV in future**
- Proposed increase in registration of new cars deferred till June, 2020**
- Funds worth Rs. 70,000 Crores released to PSU Banks**
- Linking of repo rate to interest charged for vehicle purchased**
