

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

LOK SABHA
UNSTARRED QUESTION NO.3697
TO BE ANSWERED ON 09.08.2016

Decline in Export of Auto Components

3697. SHRIMATI RAKSHATAI KHADSE:

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

- (a) whether the Government has taken cognizance of the decline in export especially in the field of Auto Components/ spares which has shown a fall of about 3.7 per cent for the first time;
- (b) if so, the details thereof and the reasons for the said decline;
- (c) whether the Government has taken/ proposes to take corrective steps to stop the decline in auto components export and make India the world's Auto Components/ spares hub; and
- (d) if so, the details thereof?

ANSWER

**MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND
PUBLIC ENTERPRISES (SHRI BABUL SUPRIYO)**

(a) : Auto component exports during April-June, 2016 was US \$ 1016 million as against US \$ 1056.33 million during April-June, 2015 registering a negative growth of 3.82 percent.

(b): Sharp decline in export was observed in case of India's largest export destination USA. The fall in demand in major markets is the chief reason for fall in export of auto components. The sector has also been affected by the increase in cost of imported raw material.

(c) & (d): India is fast emerging as a global hub for sourcing auto parts. Initiatives to encourage promotion of exports on commodities are an ongoing process; some specific action taken for the growth of auto sector includes:

- (i) The Automotive Mission Plan 2016-26 (AMP 2026) seeks to provide the ecosystem in India for growth.
- (ii) Export incentives are provided under the Foreign Trade Policy 2015-20 through the Merchandise Export Incentive Scheme (MEIS).
- (iii) Government has allowed 3% Interest equalisation scheme on pre and post shipment rupee export credit for auto component sector.
- (iv) Continuous support by Department of Commerce through Market Development Assistance (MDA) and Market Assessment Initiative (MAI) schemes.
- (v) Government interventions are being offered to encourage industry to gain access in Africa and Latin American countries.
