

**GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:6638
ANSWERED ON:08.05.2003
AGREEMENTS IN AUTO INDUSTRY
DALPAT SINGH PARASTE

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

- (a) whether Giants like truck maker AB Volvo, RD Motor Company, Daimler Chrysler AV and Diesel Engine Maker Cummins Inc. have headed for India as the nearly trillion-dollar industry seeks to defeat a demand slump that has forced them to slash prices;
- (b) if so, the names of the countries are looking for auto-parts and agreements have been made in this regard to buy Indian auto parts;
- (c) the names of the local (Indian) engineering companies (local software industries) that can develop and design electronic parts; and
- (d) the details regarding the incentives are being given by our Government in favour of these companies?

Answer

MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI BALASAHEB VIKHE PATIL)

(a) to (d): In the post liberalized economy a number of global auto manufacturers including Volvo, Daimler Chrysler and Cummins Inc. have set up manufacturing facilities in India in order to avail of the substantial market that the country offers. India is exporting auto components to a large number of countries and the average growth of export of components during the last 3 years has been around 25%. India has significant Information Technology (IT) related capabilities which can be gainfully utilized for benefit of Automotive Industry. Other than the normal incentives available to industry under the EXIM Policy, there are no special incentives available to the companies developing and designing automotive electronic parts.