

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

UNSTARRED QUESTION NO:5575
ANSWERED ON:29.04.2010
PRODUCTION OF CAR
Ramasubbu Shri S.

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

- (a) whether the car production in the country has remained at all time high;
- (b) if so, the details thereof for the last three years alongwith the sales made both in domestic and international market during the above period;
- (c) whether any steps have been taken to further boost the production and sale of cars in the coming years;
- (d) if so, the details thereof; and
- (e) if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI ARUN YADAV)

(a) & (b): Yes Madam. As informed by the Society of Indian Automobile Manufacturers (SIAM), the production of Passenger Cars during the last three years are as under:-

Category 2007-08 2008-09 2009-10

Cars 14,26,212 15,16,967 19,26,484
% Growth 15.20 6.36 27.00

The details of domestic sales and exports of Passenger Car during the period is as under:

Description 2007-08 2008-09 2009-10

Domestic Sales 12,03,733 12,20,475 15,26,787
% Growth 11.81 1.39 25.10
Exports 2,11,112 3,31,535 4,41,710
% Growth 9.54 57.04 33.23

(c) to (e): In order to boost the production and sale of cars in the country, earlier the Government of India gave three stimulus packages to Indian Industry in wake of economic downturn which included reduction of excise duty, increasing liquidity and credit flow in the market, procurement of buses through JN RUM scheme, enhanced depreciations for commercial vehicles etc. These measures along with introduction of schemes and new models by Industry helped boost production & sales of cars. The GOI, in the budget of 2010-11, has only partiall rolled back excise duty cuts by 2%. This coupled with economic growth and continued availability of credit will help sustain the growth.