

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

UNSTARRED QUESTION NO:4975
ANSWERED ON:25.04.2013
REDUCTION IN CAR PRODUCTION
Tanwar Shri Ashok

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

- (a) whether the passenger car production growth has reduced to a marginal one percent during April-November, 2012 against its corresponding period of 2011;
- (b) if so, the details thereof and if so, the reasons therefor;
- (c) whether as per the Society of Indian Automobile Manufacturers (SIAM) passenger car production is growing at seventeen per cent over the last ten years;
- (d) if so, the details thereof and if so, the reasons therefor;
- (e) whether the Government is aware of the steps proposed to be taken by the Automotive Mission Plan (2006-2016);
- (f) if so, the details thereof; and (g) the details of the incentives provided by the new Foreign Trade Policy to increase the production of the passenger cars?

Answer

MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI PRAFUL PATEL)

(a) & (b): Yes, Madam.

As per the Society of Indian Automobile Manufacturers (SIAM), passenger car production has reduced to a marginal one per cent during April – November, 2012 against its corresponding period of 2011. The number of production of passenger car during April – November, 2011 and 2012 was 15,75,777 and 15,91,911 respectively.

(c): Yes Madam. Till 2011-12, the Compounded Annual Growth Rate (CAGR) of passenger cars was 17%. However, in 2012-13, the market declined and therefore the last 10 years CAGR fell to 15.86%.

(d): The details production and growth rate for the last 10 years are given below:

Year	Production (in numbers)	Growth Rate (%)
2002-03	5,57,410	11.41
2003-04	7,82,562	40.39
2004-05	9,60,487	22.74
2005-06	10,46,133	8.92
2006-07	12,38,021	18.34
2007-08	14,26,212	15.20
2008-09	15,16,967	6.36
2009-10	19,32,620	27.40
2010-11	24,53,097	26.93
2011-12	25,37,170	3.43

The reasons for high growth of the passenger car are as follows:

- (i) Policy intervention by the Government including import policy, FDI policy and excise policy under Automotive Mission Plan (2006-16).
- (ii) Enhancement of purchasing power of the consumers.
- (iii) Easy availability of finance.
- (iv) Need for increased mobility by the people due to urbanization.
- (e): Yes Madam.

(f): Automotive Mission Plan 2006-16 envisages comprehensive support and development of the automobile and auto components sectors on a long term and sustained basis.

(g): No incentive has been provided by the new Foreign Trade Policy to increase the production of the passenger car.