

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES & PUBLIC ENTERPRISES
DEPARTMENT OF HEAVY INDUSTRY
LOK SABHA
UNSTARRED QUESTION NO. 3351
ANSWERED ON 16.03.2021

SLUMP IN AUTOMOBILE INDUSTRY

3351. MS. RAMYA HARIDAS:

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES भारी उद्योग एवं लोक उद्यम मंत्री be pleased to state:

- (a) whether the Government is aware that there is a slump in automobile industry in the country in recent years;
- (b) if so, the details thereof;
- (c) whether many car manufacturing units have been closed and there is a reduction in production in the country: and
- (d) if so, the measures taken by the Government to bring improvement in the automobile sector?

ANSWER

**THE MINISTER OF STATE FOR HEAVY INDUSTRIES & PUBLIC ENTERPRISES
(SHRI ARJUN RAM MEGHWAL)**

(a) & (b): Yes Sir, the Automobile industry has faced a downturn due to COVID 19 pandemic. However, sales in some segments, viz Passenger vehicles & two wheelers have improved over the last few months. The details are as under:

Sales of vehicles (figure in thousands)

	October, 2019 – February, 2020	October, 2020 – February, 2021	% change
Passenger Vehicle (PV)	1235	1386	12.23
Commercial Vehicle(CV)	195*	193*	-1.12
3-wheelers	278	125	-55.03
2-wheelers	6853	7638	11.45

*Data of CV available upto December Source: SIAM

(c) & (d): There is no reduction in production of Passenger Vehicles & 2- wheelers as may be seen from the table above. PV & 2-Wheelers have shown a growth of 12.23% & 11.45 % respectively during the period October, 2020 – February, 2021 vis-à-vis same duration of the previous year.

The Government, as a policy maker, attempts to keep and improve momentum of the economy through a package of measures for comprehensive and continued development of the industry. Recently the following measures have been announced to support Auto Sector:

i) Union Cabinet on November 11, 2020 has given its approval to introduce the Production Linked Incentive (PLI) scheme to 10 specified key sectors including Automobile & Auto Components sectors for a period of five years with a financial allocation of Rs. 1,45,980 crore to enhance India's Manufacturing Capabilities. The automotive industry is a major economic contributor in India. PLI scheme will make the Indian Automotive Industry more competitive and will enhance globalization of the Indian Automotive sector.

ii) Announcement of a voluntary vehicle scrapping policy, to phase out old & unfit vehicles

iii) The wholesale, and retail trade and repair of vehicles was brought under the ambit of the MSME Development Act.

iv) In Budget 2021-22, a scheme has been announced to support augmentation of public transport bus services with a total outlay of Rs. 18,000 crore.
