

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

RAJYA SABHA
UNSTARRED QUESTION NO.2460
TO BE ANSWERED ON 19.03.2015

Impact of lower excise duty on industry

2460. PROF. M.V. RAJEEV GOWDA:

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

- (a) the current growth rate of automobile industry;
(b) the steps taken to improve the same; and
(c) the impact of the lower excise duty on this industry and policies to reap the benefits of the same?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI G.M. SIDDESHWARA)

(a): Sir, the production growth rate of Automobile Industry during the period April 2014 to February 2015 compared to the same period of last year is as under:

| | April-February 2014 | April-February 2015 | Growth% |
|--------------------------------|----------------------------|----------------------------|----------------|
| Passenger Vehicles | 2,815,563 | 2,927,447 | 3.97 |
| Commercial Vehicles | 636,923 | 629,905 | -1.10 |
| Three Wheelers | 763,338 | 867,888 | 13.70 |
| Two Wheelers | 15,429,731 | 17,042,863 | 10.45 |
| Total of All Categories | 19,645,555 | 21,468,103 | 9.28 |

(b): The Government is taking steps to improve growth through policies like the JNNURM and support for improving exports. The vehicles manufacturers are launching newer and improved models to boost demand.

(c): Excise duty was reduced w.e.f. February, 2014 to December, 2014 and thereafter the earlier higher duty level has been restored. Almost all the sectors had shown improvement in production during the lower excise duty phase and the previous negative trend was reversed. Comparative data of production during the period January-December, 2013 and January-December, 2014 is as under:

| | January-December 2013 | January-December 2014 | Growth% |
|----------------------------|------------------------------|------------------------------|----------------|
| Passenger Vehicles | 3,155,694 | 3,158,215 | 0.08 |
| Commercial Vehicles | 742,731 | 681,945 | -8.18 |
| Three Wheelers | 847,323 | 937,879 | 10.69 |
| Two Wheelers | 16,413,175 | 18,490,931 | 12.66 |
| Grand Total | 21,158,923 | 23,268,970 | 9.97 |
