

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES & PUBLIC ENTERPRISES
DEPARTMENT OF HEAVY INDUSTRY
RAJYA SABHA
UNSTARRED QUESTION NO. 93
ANSWERED ON 14.09.2020

SLOW DOWN IN AUTOMOBILE INDUSTRY

93. SMT. PRIYANKA CHATURVEDI:

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

- (a) whether it is a fact that the Automobile Industry is witnessing an unprecedented slowdown;
- (b) if so, the details thereof and the reasons therefor;
- (c) the year-wise details of the commercial and passenger vehicles produced and sold during the last five years; and
- (d) the steps proposed by Government to revive the Automobile Industry?

ANSWER

THE MINISTER OF HEAVY INDUSTRIES & PUBLIC ENTERPRISES
(SHRI PRAKASH JAVADEKAR)

(a) &(b): There has been a slowdown in the automotive sector. There are various financial, regulatory and perceptual reasons for this slowdown that include:

- Reduction in finance availability to Auto Sector
- Increase in Axle Load limit for commercial vehicles by up to 25%. This expanded freight capacity had led to shrinkage of new vehicle demand
- High ownership cost of vehicle, due to upfront collection of 3rd party insurance, transition to BS VI emission norms etc.
- Negative consumer sentiments, worsened by the onset of pandemic

(c): Year-wise details of the commercial and passenger vehicles produced and sold during the last five years are as under:

Production (In Numbers):

Category	2015-16	2016-17	2017-18	2018-19	2019-20
Passenger Vehicle	34,65,045	38,01,670	40,20,267	40,28,471	34,34,013
Commercial Vehicle	7,86,692	8,10,253	8,95,448	11,12,405	7,52,022

Domestic Sales (in Numbers)

Category	2015-16	2016-17	2017-18	2018-19	2019-20
Passenger Vehicle	27,89,208	30,47,582	32,88,581	33,77,436	27,73,575
Commercial Vehicle	6,85,704	7,14,082	8,56,916	10,07,319	7,17,688

Source: Society of Indian Automobile Manufacturers (SIAM)

(d): The Government, as a policymaker, always attempts to sustain and improve momentum of the economy through a package of measures for comprehensive and continued development of the sector.
