

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES & PUBLIC ENTERPRISES
RAJYA SABHA
UNSTARRED QUESTION NO. 75
ANSWERED ON 03.02.2020

SLUMP IN SALE OF AUTOMOBILES

75. SHRI P. L. PUNIA:

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

- (a) whether it is a fact that the sale of two-wheeler, three-wheeler and fourwheeler vehicles have severely gone down in the country;
- (b) if so, the fall registered in number of vehicles sold in year 2019 in comparison to 2018, details of the number of dealer-showroom shut down;
- (c) the details of shortfall observed in direct and indirect employment on account of reduction in sale of vehicles;
- (d) the efforts being made by Government to encourage auto industry; and
- (e) the details of relief reaching the auto industry on account of said efforts?

ANSWER

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

(a) to (c): There are cyclical slowdowns in many economies. 17.1 million vehicles (all categories) were sold during April – December, 2019 as against 20.3 million vehicles sold during the same period in 2018. Retrenchment of temporary workforce has been reported by the industry. However, no confirmed data on job loss is available with the Government.

(d) & (e): The Government, as a policymaker, always attempts to keep and improve momentum of the economy through a package of measure for comprehensive and continued development of the auto sector as and when required. Some of the steps taken by the Government to counter automotive slowdown can be summarized as under:

- Reduction in Corporate Tax to 22%
- Continuation of registration of ICE and EV in future
- Scrappage policy under consideration
- Proposed increase in registration of new cars deferred till June 2020
- Funds worth Rs. 70,000 crores released to PSU banks
- Linking of repo rate to interest charged for vehicle purchased
