

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES & PUBLIC ENTERPRISES
RAJYA SABHA
UNSTARRED QUESTION NO. 860
ANSWERED ON 10.02.2020

DECLINE IN SALE OF CARS AND BIKES

860. SHRI VAIKO:

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

- (a) whether it is a fact that there has been a sharp decline in sales of cars and bikes in the last twenty years;
- (b) if so, the details of the percentage of decline;
- (c) whether it will pull down many upstream and downstream industries and services including parts and components, steel, tyre and retailing, among others;
- (d) whether Government has in-depth examined downturn of automobiles industry or constituted any committee to examine the whole issue and to find a solution;
- (e) if so, the details thereof; and
- (f) the details of measures taken to revitalize and boost the automobile industry and to protect the employees?

ANSWER

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

(a) to (c): No such decline has been reported since the last twenty years. However, there are cyclical slowdowns in automotive sector since last few months. 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.

(d) to (f): Though no specific committee has been constituted, the Government, as a policymaker, always attempts to keep and improve momentum of 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
