

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES & PUBLIC ENTERPRISES
RAJYA SABHA
UNSTARRED QUESTION NO. 871
ANSWERED ON 25.11.2019

SLOW DOWN IN AUTOMOBILE SECTOR

871. SHRI ANAND SHARMA:

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

- (a) whether it is a fact that Automobile Sector is in a crisis with a sharp fall in production and sale of passenger and commercial vehicles in recent months;
- (b) if so, the details thereof;
- (c) whether it is also a fact that a large number of factory workers, technicians and managers have lost employment due to scaling down of production, closure of factories and economic slow down across the country;
- (d) if so, the estimated number of persons who have lost jobs and employment in the Auto Sector; and
- (e) interventions Government proposes to make to revive the automobile industry?

ANSWER

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

(a) to (d): There are cyclical slowdowns in many economies. 11.7 million vehicles (all categories) were sold during April – September 2019 as against 14.1 million vehicles sold during the same period in previous year. But the festival demand has shown year on year growth @ 0.3% in the Passenger Vehicle Segment. Retrenchment of temporary workforce has been reported by the industry. However, no confirmed data on job loss is available with the Government.

(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
