

GOVERNMENT OF INDIA  
MINISTRY OF HEAVY INDUSTRIES  
RAJYA SABHA  
UNSTARRED QUESTION NO. 2351  
ANSWERED ON 17.12.2021

**FORECAST FOR SLUMP IN AUTO SALES**

**2351. SHRI BHASKAR RAO NEKKANTI:**

Will the Minister of *Heavy Industries* be pleased to state:

- (a) whether Government is aware of the Federation of Automobile Dealers Associations' forecast of auto sales possibly dropping by 25-30 per cent this final quarter, if so, the reaction of Government thereto, particularly in Odisha;
- (b) whether Government is concerned that commodity input prices are rising year-on-year; and
- (c) whether Government would take measures in response to demand within the industry for locally produced chips and parts to accelerate domestic supply as international supply of parts fell due to the pandemic?

**ANSWER**

THE MINISTER OF STATE FOR HEAVY INDUSTRIES  
(SHRI KRISHAN PAL GURJAR)

**(a) to (c):** Yes Sir, the Automobile industry has faced a downturn due to mainly Covid-19 pandemic.

The Government, as a policy maker, attempts to keep and improve momentum of the economy through a package of measures for comprehensive and continued development of the industry. Recently the following measures have been announced to support Auto Sector:

- (i) Government has approved the Production Linked Incentive (PLI) Scheme for Automobile and Auto Components Industry in India to boost domestic manufacturing of Advanced Automotive Technology products and attract investments in the automotive manufacturing value chain with a budgetary outlay of Rs. 25,938 crores over a period of five years.
- (ii) The Government on 12<sup>th</sup> May, 2021 approved a Production Linked Incentive (PLI) scheme for manufacturing of Advanced Chemistry Cell (ACC) in the country in order to bring down prices of battery in the country. Drop in battery price will result in cost reduction of electric vehicles.
- (iii) Announcement of a voluntary vehicle scrapping policy, to phase out old & unfit vehicles.
- (iv) The wholesale, and retail trade and repair of vehicles was brought under the ambit of the MSME Development Act.
- (v) In Budget 2021-22, a scheme has been announced to support augmentation of public transport bus services with a total outlay of Rs. 18,000 crore.

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