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AMP 2006-2016: This is how automotive Industry performed in the last 10 years

While some of the targets set 10 years back have been met, many have proved a little too steep to climb

J Srikant ETAuto Updated: April 11, 2016, 10:34 IST



NEW DELHI: The first phase of [Automotive Mission Plan](#), which was from first 2006 to 2016 has just been completed. While some of the targets set 10 years back have been met, many have proved a little too steep to climb.

Seven major targets were set at the beginning, which included total turnover, [employment](#) generation, contribution in [GDP](#), PV, production CV production,

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Target vs Actuals (Quick Estimates)

| | Target FY16 | Actual FY16 (estimation) |
|----------------|--------------------------------|--------------------------|
| Turnover | INR 5,61,200 – 7,31,400 crores | INR 6,01,000 crores |
| Employment | 35 million | 32 million |
| % Share in GDP | 10% | ~7.2% |

Total Turnover

In 2006, The indian automobile [industry](#)'s turnover was perched around the \$28 billion mark, which roughly translated into Rs 1.23 lakh crore according to the \$ exchange rate of Rs 44 at the time. The AMP 2006-2016 had laid out a target to reach a turnover of Rs 5,61,200 crore to Rs 7,31,400 crore.

After the 10 years, it is estimated that the industry will breach the base target and clock Rs 6,01,000 crore in FY2016.

Employment

AMP 2006-2016 had set a target that [automotive industry](#) will employ 35 million people, including direct and indirect jobs, by 2016. However, the industry could reach only 32 million jobs. In 2006, 10 million people working were employed in the industry.

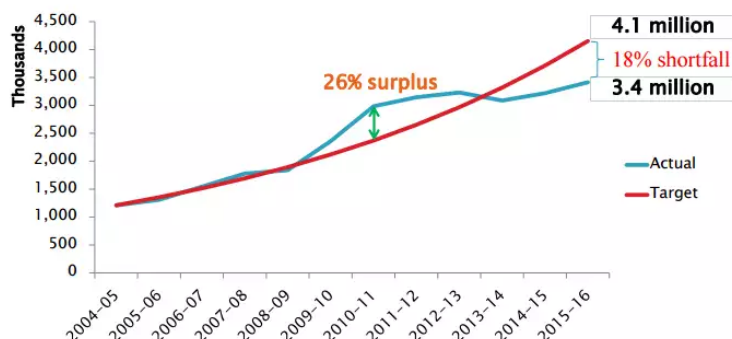
% Share of GDP

At present, the contribution of automotive industry to overall Indian GDP has only reached 7.2 percent, instead of 10 percent set in AMP 2016

Passenger Vehicle Production

There are two ways to look at the result. In one, the industry has fallen short of what it set out to achieve and in another it has bettered the target.

Passenger Vehicles Production



The annual production target of 4.1 million passenger vehicles was missed by 18 percent and reached only 3.4 million. At the peak around 2011, the industry was nearly 26% ahead of the projections. But the start of decline in market sentiments soon after, which continued till the end, has made all the automakers' plans go haywire.

On the other hand, it has sold 27.91 million units cumulative in the last 10 years, as against the proposed 27.75 million units.

Commercial Vehicle Production

The fortunes of commercial vehicle segment have fluctuated even more than that of PV segment. For the first two years, the actual numbers stayed comfortably ahead of the projections. The downturn of 2008 soon pulled the industry down as economic growth came to a standstill in many sector.

Commercial Vehicles Production

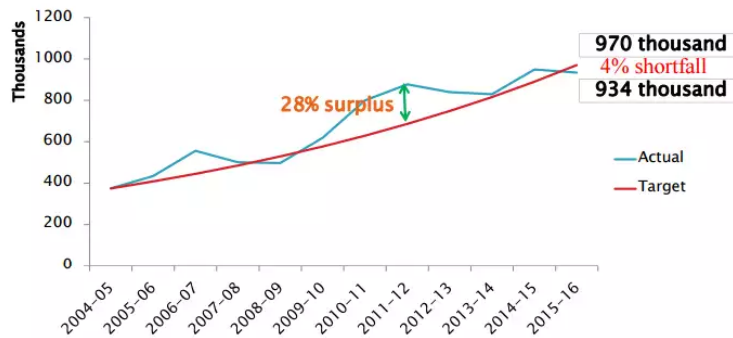


The CV market recovered in a jiffy, taking the production numbers to an all time high in 2011. At this point, nearly 900,000 CV were manufactured in the country, 43 percent higher than where it was expected to be.

However, the market scenario changed drastically and numbers fell faster to the previous low of 2008. The segment recovery started almost a year ago but the final target of 890,000 units was not achieved. At 783,000 units produced in FY2016, there was a shortfall of 12 percent.

The cumulative production from 2006-2016 stood at 7.1 million units, which is higher than the proposed 6.7 million by almost 7 percent.

Three-wheelers Production

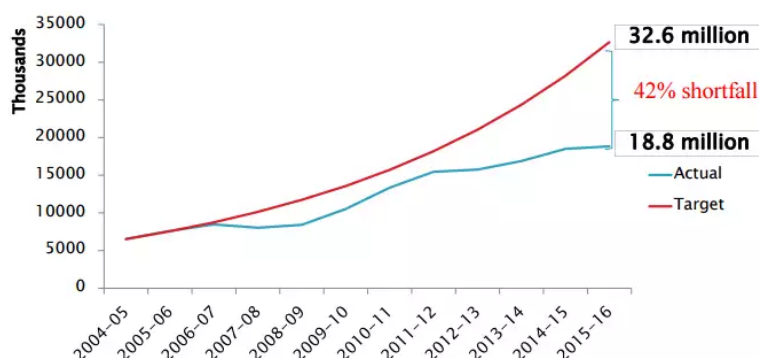


Three Wheeler Production

The 3wheeler segment for most part of the tenure of AMP2016, stayed above the point where it was expected to be. It was only in the final year-and-a-half, that the numbers fell below expectations. At the end of the 10 years, three wheeler production mark was missed by 4 percent. Instead of the targetted 970,000 units, only 934,000 units were produced.

Being consistently above the mark meant that three wheelers had the highest surplus among all other segments in cumulative growth. With production of 7.8 million 3wheelers, the segment outperformed the cumulative target by 9 percent.

Two-wheelers Production



Two Wheeler Production

Two wheeler segment was the only segment where both annual production and cumulative production targets were missed, and too by huge margins.

The annual production target was missed by 42 percent whereas the cumulative one was missed by 25 percent. Manufacturing 32.6 million two-wheelers annually was the goal, but only 18.8 million were produced.

Overall Performance

| Segments | Target FY16 | Actual FY16 | Shortfall | Target Cumulative FY06 - FY16 | Actual Cumulative FY06 - FY16 | Shortfall/Surplus |
|---------------------|-------------|-------------|-----------|-------------------------------|-------------------------------|-------------------|
| | In Million | | % | In Million | | % |
| Passenger Vehicles | 4.1 | 3.4 | 18% | 27.75 | 27.91 | 1% |
| Commercial Vehicles | 0.89 | 0.78 | 12% | 6.7 | 7.1 | 7% |
| Three-wheelers | 0.97 | 0.93 | 4% | 7.2 | 7.8 | 9% |
| Two-wheelers | 32.6 | 18.8 | 42% | 192 | 142 | 25% |

Total combined production in the ten years from 2006 to 2016 was 142 million, as against the set target of 192 million.

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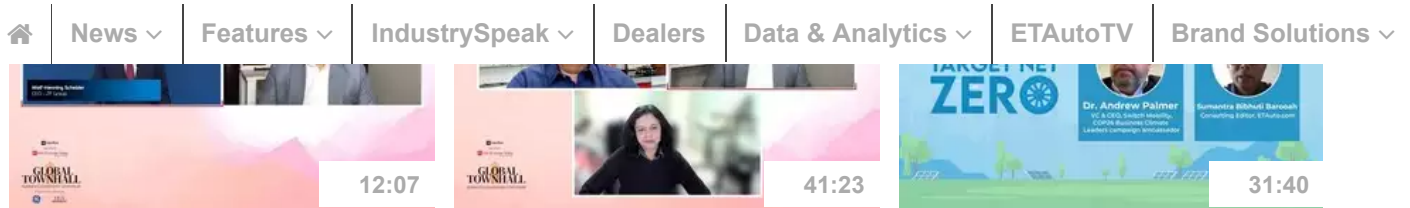
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complex- some mega-sized container snips carrying as much as half a million tons of everything from consumer goods to factory inputs.

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IMF welcomes India's announcement at COP26 on renewables, net zero target by 2070

Gerry Rice, director, communication department at the International Monetary Fund (IMF), said India's actions may help catalyse action in other emerging economies as well in addressing the climate change challenges.

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A Green New Deal for India's energy intensive industries

With more than 60 large Indian companies and several multinationals operating in India volunteering for SBTi (Science Based Targets initiative) based emissions reduction targets, India's industrial decarbonization plan is off to a good start.

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Amazon, Apple, Mahindra join First Movers Coalition to drive

Roughly half of the emission reductions needed to reach the 2050 climate goals rely on technologies in early development, demonstration or prototype phases, while accelerating innovation in this decade is critical to bring these technologies to market and make them cost-competitive

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FinMin invites suggestions on taxation from industry and trade bodies

The Finance Ministry has asked for suggestions on taxation from industries and trade bodies for Budget 2022-23, which is going to set the tone for growth of India's economy hit by the COVID-19 pandemic.

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India's forex reserves increase USD 1.9 bn to USD 642 bn

Value of the gold reserves increased by USD 572 million to USD 39.012 billion in the reporting week, the data showed.

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Canada's exports drop as supply chain woes drag auto sector

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