

Ministry of Road Transport & Highways
Monster share of PLI for Automobiles and Auto components manufacturing

November 11, 2020

Relevant to M&M Auto

Background

- The Minister said that the auto industry has over the last many years has overcome many difficult situations but has come out stronger.
- *"Our auto industry over the last many years has overcome many difficult situations but has come out stronger because they had the will to achieve. Truly, the industry is our pride. I have no doubt that the resilience that the automobile industry has demonstrated itself to be over the last many years, will once again help the industry to emerge stronger from COVID crisis. I would like to congratulate the automobile manufacturer industry for their contributions towards the fight against COVID-19, where the people showed adaptability & innovation. Many repurposed units to even manufacture ventilators, rising to the occasion",* he added.
- The minister said that to help the auto industry with affordable logistics option, Indian Railways is ready to reduce freight rate. Shri Goyal said that the automakers should find out innovative finance options, which would attract the financiers to lend money, as well as attract the buyers.
- He added that to help the auto sector, especially exporters, the government will be happy to come up with innovative credit guarantee schemes.

What next as per Shri Gadkari?

- India is poised to become global automobile manufacturing hub in next 5 years.
- This, he felt, is possible as our auto industry has made significant strides in terms of development of different designs and models, robust R&D, huge market, stable government frame-work and bright & young engineering minds.
- He added India already is the largest manufacturer of two-wheelers in the world.

- Considering the huge potential of the sector Government has earmarked over Rs51000 crore for this sector under Production Linked Incentive (PLI), the highest amongst the 10 champion sectors.
- He also stated that there is a huge requirement of about 25 million skilled jobs in the automobile sector in near future. This very significant as this industry is going to create maximum jobs and growth, he added.

For Further Reading

1. <https://pib.gov.in/PressReleasePage.aspx?PRID=1675114>
2. <https://www.news18.com/news/auto/auto-industry-to-be-biggest-beneficiary-of-pli-scheme-will-improve-production-and-export-3072413.html>
3. <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1651329>
4. <https://www.pib.gov.in/PressReleseDetailm.aspx?PRID=1671912>