

The Hindu

Auto industry can create 65 million new jobs by 2026

The government expects the automobile industry to create 65 million new jobs and clock annual revenues of \$300 billion by 2026, Heavy Industries Secretary Girish Shankar said.

“India’s auto industry is one of the largest and most competitive in the world, contributing 7 per cent of the country’s gross domestic product or GDP,” Mr. Shankar said. “We have worked out an Automotive Mission Plan 2026 along with industry, which is aiming for a 12 per cent share in GDP, third position in the world’s auto industry and 65 million additional jobs.”

The auto sector is presently facing a lot of challenges in the country, such as the uncertainty around diesel engines forcing players to hold back investment plans, Mr. Shankar said that the passenger vehicle market is still expected to double to 4 million units by 2020 from the current level of 1.97 million.

R & D initiatives

“Our industry still doesn’t cover 100% of technology or components to make the car, but it does provide around 97 per cent. The government is offering high incentives for research and development investments by the automotive industry which has led to many auto makers setting up research centres or expanding existing ones,” he said.

While India has become a design hub for global auto makers, especially for compact cars and two-wheelers, the industry needs to respond expeditiously to fresh challenges such as the emergence of driver-less cars, Mr. Shankar said.

“There will be a greater demand for newer automotive designs to meet the aspirations of the Indian market,” he said adding that the industry must focus more on tapping the rural market which currently has only a 13 per cent share of passenger vehicle sales.