

“FDI in terms of Manufacturing Industry with special reference to Automobile Industry and its development”

1) Asst. Prof. Aqueel Ahmed,
Arts & Commerce Night College,
Azam Camp, Pune.
ahmed.queel410@gmail.com

2) Dr. Atik Asgar Shaikh
Research Guide, Abeda Inamdar
Senior College, Azam Campus, Pune.
meetatik@gmail.com

Abstract:-

With a development rate of 7.5% GDP, India has rising as the quickest developing economy all around for 2015-16 and 2016-17 too. India is relied upon to be the third biggest car advertise by volume on the planet by 2016. India's auto advertise can possibly develop to six Million or more units every year by 2020. India is seventh biggest maker on the planet with a normal yearly generation of 23.36 Million vehicles, fourth biggest car fabricating center points the nation over with 7.1% of the nation's GDP by volume. Tractor deals in the nation are relied upon to develop at CAGR of 8-9% in the following five years, pushing up India's market potential for global brands..Govt of India is additionally supporting to set up Research and Development center point (NATRip-National car Testing and R& D Infrastructure Project). As there is inflow of Foreign Direct venture (FDI) definitely in Automobile Industry.100% FDI is permitted under the programmed course in the Automobile Industry , subject to all the appropriate controls and laws .NSDC is changing over untalented man drive into talented man constrain, while Govt has marked outside offices, for example, Fraunhofer to present Innovation and Technology in Manufacturing Sector and also making simple technique for FDI welcoming colossal capital in assembling part uniquely Auto Industry. The current circumstance foreseeing India to develop as Global Manufacturing Hub for Automobile Industry in not so distant future.

Watchwords: GDP, FDI, Innovation, Technology, Automobile Industry

Presentation:-

The Indian car industry is one of the biggest on the planet with a yearly generation of 23.37 million vehicles in FY 2014-15, following a development of 8.68 for every penny in the course of the last year. The car industry represents 7.1 for each penny of the nation's total national output (GDP). The Two Wheelers section with 81 for every penny piece of the overall industry is the pioneer of the Indian Automobile showcase because of a developing white collar class and a youthful populace. In addition, the developing enthusiasm of the organizations in investigating the rustic markets additionally supported the development of the division. The general Passenger Vehicle (PV) section has 13 for each penny showcase share. India is likewise a conspicuous auto exporter and has solid fare development desires for the not so distant future. In FY 2014-15, car sends out developed by 15 for each penny in the course of the most recent year. Furthermore, a few activities by the Government of India and the significant car players in the Indian market are relied upon to make India a pioneer in the Two Wheeler (2W) and Four Wheeler (4W) showcase on the planet by 2020. Bike creation has developed from 8.5 Million units every year to 15.9 Million units over the most recent seven years. Worldwide auto producers have been increase interests in India to take into account developing local request. These makers are intending to take upper hand to set up send out situated creation center points.

Objectives:

- 1) To Study present scenerio of Automobile Industry with future prospect.
- 2) To study the inflow of FDI in Automobile Industry.
- 3) To study the Govt initiatives regarding Automobile industry in 'Make in India

Limitations

- 1) The study is related to Automobile Industry only other sectors are not taken into consideration.

Methodology and sources of data collection:-

Data collected from secondary sources such as special web portals, Journal, newspaper, Report, etc.

Growth of Automobile sector in India:

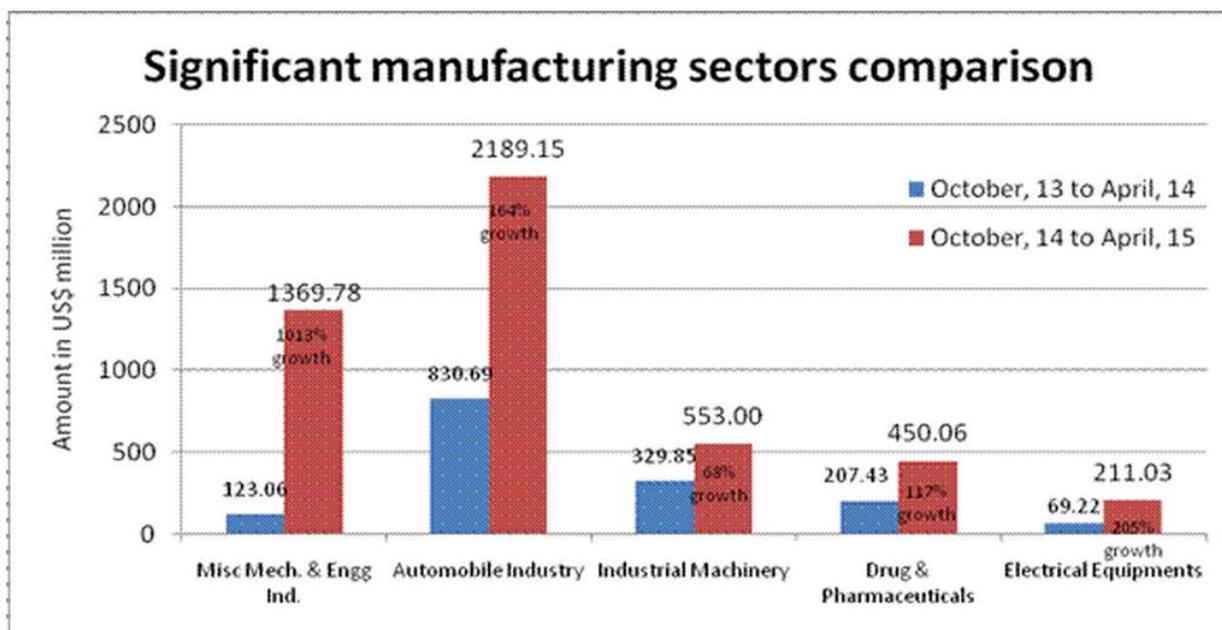


Table (1)

Table (2): Sub sectors of FDI equity inflows in automobile industries (January 2000 to December 2010)

Source: Directorate of Economics & Statistics.

Sub Sectors	Amount of FDI inflow		Percentage with total FDI inflows
	Rupees in Crores	US \$ in million	
Heavy Vehicles	6,830.35	1,479.20	1.16 %
Passenger vehicles	13,516.25	3,008.04	2.37 %
Auto ancillaries/parts	2,857.06	635.44	0.50 %
Others (transport)	2,768.93	617.47	0.49 %
Total of above	25,972.59	5,740.16	4.52 %

Table (3): Automobile Production Trends (in numbers from 2004 to 2011)

Category	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Passenger vehicles	12,09,876	13,09,300	15,45,223	17,77,583	18,38,593	23,57,411	29,87,296
Commercial vehicles	3,53,703 3	3,91,083	5,19,982	5,49,006	4,16,870	5,67,556	7,52,735
Three wheelers	3,74,455	4,34,423	5,56,126	5,00,660	4,97,020	6,19,194	7,99,533
Two wheelers	65,29,826	76,08,697	8,46,666	80,26,681	84,19,792	1,05,12,903	1,33,76,451
Total	84,67,853	97,43,503	1,10,87,997	1,08,53,930	1,11,72,275	1,40,57,064	17,916,035

Source: SIAM Industry Statistics

The Table (1) demonstrates inflow of FDI in India Sector shrewd Comparison of various Manufacturing Sectors with Automobile Industry 164% development , Second most astounding Manufacturing Industry developed amid Oct, 2014 to Oct, 2015 subsequent to propelling of Make in India Initiative. This is indicating advancement of Automobile Industry.

The Table (2) indicates FDI value inflow in Automobile Industry from 2000 to 2010. Traveler vehicle demonstrates most elevated inflow 2.37 % (13,516.25 Cr) anticipating most noteworthy request of FDI in future.

The Table (3) demonstrates that there are continuous upward patterns underway of Automobile with Two Wheeler most elevated number of generation indicating most noteworthy beneficial segment while Passenger Vehicle the least number of creation, bring down productive division. As increment underway means increment in deals i.e increment in benefit and henceforth development of Automobile Industry.

Government Initiative in regards to Automobile Industry

The Government of India supports remote interest in the vehicle part and permits 100 for every penny FDI under the programmed course.

A portion of the real activities taken by the Government of India are:

1 Government of India means to make cars producing the primary driver of 'Make in India' activity, as it anticipates that traveler vehicles market will triple to 9.4 million units by 2026, as featured in the Auto Mission Plan (AMP) 2006-16.

2 In the Union spending plan of 2015-16, the Government has declared to give credit of Rs 850,000 crore (US\$ 127.5 billion) to agriculturists, which is relied upon to support the tractors section deals.

3 The Government intends to advance eco-accommodating autos in the nation i.e. CNG based vehicle, crossover vehicle, and electric vehicle and furthermore made compulsory of 5 for each penny ethanol mixing in petroleum.

4 The government has defined a Scheme for Faster Adoption and Manufacturing of Electric and Hybrid Vehicles in India, under the National Electric Mobility Mission 2020 to energize the dynamic enlistment of solid, moderate and proficient electric and half and half vehicles in the nation.

5 The Automobile Mission Plan (AMP) for the period 2006– 2016, outlined by the legislature is gone for quickening and managing development in this area. Likewise, the settled Regulatory Framework under the Ministry of Shipping, Road Transport and Highways, has an impact in giving a lift to this segment.

Presentation of Innovation and Technology by Fraunhofer in India:

The Department of Heavy Industries, New Delhi and driving German Institute of Technology Fraunhofer which is renowned for connected research have consented to an arrangement to expand 'Make in India' program to present development and innovation in Manufacturing Industries including Automobile Industry. Because of which Indian Manufacturers can create and keep up nature of their items as per worldwide market.

National ability Development Corporation (NSDC):

NSDC under the Ministry of Skill Development and Entrepreneurship are occupied in leading ability advancement program for distraught and minimized gatherings like SCs, STs, OBCs, minorities, ladies, and so on of all parts including Manufacturing Sector.

NSDC having 249 Training Partners,3222 Training Centers and it has prepared 55,70,476 individuals of various divisions and 23,88,009 individuals have been set. With the assistance of talented man compel Product quality can be kept up to worldwide level and in this manner it is feasible for assembling industry to keep its position ahead in worldwide Market.

Conclusion:

As Indian economy rising as the world's quickest developing economy with assets, for example, talented work constrain, simple accessibility of capital in the shape FDI, stream of innovation and one of the biggest economy regarding Public private partenership. Change arrangements of the gov are additionally ideal implementing Automobile Sector to create up to worldwide level coming about of huge work opportunitites and make Automobile Industry productive and fruitful. Achievement of Make in India Program relies upon appropriate execution of Govt strategies in regards to FDI and Automobile Industry ,co-operation and corodinatoion among govt Agencies, political gatherings (control making bodoies), and Automobile people group .If all the worry parties comprehend it,accept it and to buckle down ,unquestionably India in not so distant future will progress toward becoming as a Global Manufacturing Hub.

References:

- 1) www.makeinindia.com**
- 2) WESP Report 2016, United Nations**
- 3) www.bcgmakeinindia.com**
- 4) Business Economics (Oct1-10-15 to 15-10-15),**
- 5) www.nsdcindia.org**

6) Directorate of Economics and Statistics.

7) SIAM Industry Statistics

8) International Journal of Current Research and Academic Review, vol 1, No3 (2013)