

DEMAND NO LONGER AN ISSUE FOR THE AUTOMOTIVE SECTOR: SIAM CONVENTION

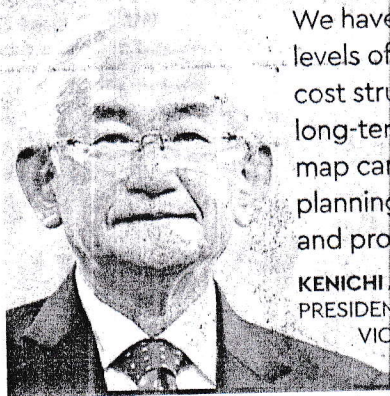
Auto sector targets global levels of quality

SWARAJ BAGGONKAR
New Delhi, September 15

DEMAND FOR CARS and SUVs has hit record levels so far in the current year as sales volumes are on the road to close at an all-time high level. The industry is sitting on booking orders in excess of 0.75 million and the upcoming 42-day festive season may turn out to be the best-ever, as per estimates.

With the 2021 growth outpacing that of Germany's, India became the fourth-largest automotive market in world. Therefore, with demand not being an issue, the mood at the 62nd Annual Convention of the Society of India Automobile Manufacturer Association (SIAM) was about tapping emerging technologies and opportunities, and the need to bring down commodity costs while improving supply chain, including availability of semiconductors.

Kenichi Ayukawa, president, SIAM, and executive vice chairman, Maruti Suzuki, said, "We have to achieve global levels of quality with



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KENICHI AYUKAWA
PRESIDENT, SIAM, AND EXECUTIVE
VICE CHAIRMAN, MARUTI

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"Whatever demand we have in the market is fresh demand. There is no pent-up demand anymore. The industry has ramped up production significantly but demand continues to outpace supply," Shailesh Chandra, managing director, Tata Pas-

senger Electric Mobility and Tata Motors Passenger Vehicles.

India has more than 1.2 crore vehicles that can be scrapped considering their age as per registration data available with the government. Union minister Nitin Gadkari said that there is a need to get older generation vehicles, especially more polluting trucks, off the road, through the scrappage policy and replace them with fuel-efficient,

pollution-friendly vehicles.

The ministries of road transport and highways, and steel will soon ask their finance ministry peer for a cut in GST for new vehicles which would be bought against scrapped vehicles. Gadkari appealed to truck makers to offer discounts to buyers who have scrapped their vehicles in favour of new units.

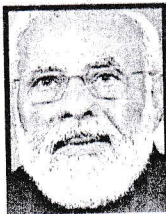
"The person who has taken the scrappage certificate, if we can offer them some discount, then that can be an incentive. Yesterday, I met with (Jyotiraditya) Scindia, and we are going to meet the FM to seek some GST concession. I don't want to make it mandatory for the industry though," Gadkari said.

As of today, there are 10-20 scrap yards in the country. "But we have the potential of having 3 such centres in every district. If vehicle makers set up their own scrap yards and use recycled materials like copper, aluminium, steel, rubber and plastic it will reduce the cost by 30%. The pollution caused by one truck is equivalent to 15 old trucks," Gadkari added.



SHAILESH CHANDRA
MD, TATA MOTORS
PASSENGER
VEHICLES

There is only fresh demand. There is no pent-up demand anymore. The industry has ramped up production significantly but demand continues to outpace supply.



NARENDRA MODI
PRIME
MINISTER

It is a need of the hour that the auto industry's innovation for greener alternatives attains a new momentum and also help in making India self-reliant.



NITIN GADKARI
UNION ROAD
TRANSPORT
AND HIGHWAYS
MINISTER

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