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India produces world class components that automakers should use more, says Shri Goyal

Shri Goyal cautions automakers that the cost of not investing in innovation would be inevitable obsolescence

A nimble government and agile industry working together can capture markets across the world- Shri Goyal

The challenge before us during the 'Amrit Kaal' is to ensure that every single citizen is a stakeholder in the nation's progress - Shri Goyal

The Union Minister of Commerce and Industry, Consumer Affairs, Food & Public Distribution and Textiles, Shri Piyush Goyal said that India's merchandise exports have reached almost USD 390 billion as of March 14th and will certainly cross USD 400 billion in the current fiscal.

He was addressing the Atmanirbhar Excellence Awards and 7th Technology Summit 2022, organized by the Automotive Component Manufacturers Association (ACMA) in New Delhi. He added that India's auto components industry had, for the first time, recorded a trade surplus of USD 600 million.

It may be noted that India's Automotive Industry is worth more than USD 100 billion and contributes 8% of country's total export and accounts for 2.3% of India's GDP and is set to become the 3rd largest in the world by 2025.

The Minister appreciated the resilient auto industry players who adapted and evolved to keep the industry going despite the five Cs, - challenges of COVID-19, container shortages, chip shortages, commodity prices and conflict.

Shri Goyal said the government was sensitive to auto sector's concerns related to chips shortage. The recently approved Semicon India Programme with a budget of 76,000 Crores would help reduce import dependence and eventually help us become Atmanirbhar in the arena of chips, he said. He added that the nimble Government and agile Industry working together collectively could capture markets across the world.

Highlighting India's capabilities in the field of auto components manufacturing, the Minister asked automakers to make greater use of Indian made components. Stating that the Government held back stringent norms regarding import substitution due to Covid-19 and industry assurances on securing equal market access, the Minister urged automakers to buy local and substitute imports.

Congratulating the automotive for managing tech transitions smoothly, he pointed out that India could no longer afford to be closed and protective but will have to open up our markets along with striving to achieve greater penetration of global markets.

Spelling out the opportunities for the future of mobility, Shri Goyal said that mobility of tomorrow would be dependent on the 7 Cs, - Common, Connected, Convenient, Congestion-free, Charged, Clean and Cutting edge.

Shri Goyal gave a 4-point call for action to the auto components industry for to be future ready. He asked them to invest more in R&D, especially e-mobility, especially and battery tech. He urged them to disrupt existing targets, set higher benchmarks for performance and aspire to take 5 Indian companies in top 50 global automotive suppliers club. He encouraged them to identify core competencies and isolate key areas to reduce import reliance. He also called for designing world-class quality standards in the automotive sector.

Quoting the Prime Minister Shri Narendra Modi, Shri Goyal said that mobility is the next frontier in our fight against climate change. He asserted India was poised at the cusp of an e-mobility revolution that in the next 15 years and mobility landscape is expected to undergo a deep structural change. He asked auto-makers to look upon sustainability as an opportunity and not a challenge.

He asked the automotive industry to work on improving the e-mobility ecosystem, including fuel cell vehicles with Hydrogen storage, higher Lithium-Ion battery capacity at low price and better charging infrastructure. He cautioned automakers that the cost of not investing in innovation and evolving to meet the needs of the future would be obsolescence.

Referring to the budgetary push to the EV industry, the Minister said that India has the potential to become a hub for EVs and Integrated Circuits (IC) technology. Expressing concern that lower volume of production would prohibit scale of production thus affecting business viability, he called for the promotion of scale of production in e-mobility.

Stating that the Prime Minister Shri Narendra Modi has set the targets for Amrit Kaal, - the next 25 years, Shri Goyal said we cannot afford to rest on the laurels of the last 75 years as we celebrate the 'Azadi Ka Amrit Mahotsav' this year.

He added that the greater challenge before us, the greater responsibility that each one of us has on our shoulders is that in the next 25 years, the 'Amrit Kaal', as the Prime Minister has called it, is to make India a prosperous nation, a developed nation, a nation where every single citizen, especially the marginalized, is a stakeholder in the country's progress and development.

(Source: PIB, GoI)