

Goyal urges Auto sector to aim for global dominance

## By TIOL News Service

**NEW DELHI, SEPT 05, 2020:** THE

Union Minister of Commerce, Industry and Railways Mr Piyush Goyal, has said that in the auto sector, we should move towards global dominance, in terms of auto components & automobiles. Addressing the Society of Indian Automobile Manufacturers (SIAM) annual convention today, he said, "We are improving the scale & quality of what we are producing & serving. With this, we are seeing how we can improve competitiveness to engage with the world."

The Minister said that Reciprocity, high quality, affordability & good economies of scale will help us expand our global engagement, Mr Goyal said that Design, Packaging and Brand Building- these are 3 pre-requisites for us if we want to offer our products across the world. He said India is looking at its own domestic capabilities and expansion of its own economic and global engagement.

"India is willing to provide a very facilitated environment. We are engaged with many companies who are looking for more resilient value chains. We have to identify sectors where we have a comparative & competitive edge over other countries. I am sure we will become trusted, reliable partners where countries across the world can look at greater engagement with India," he said.

Calling upon the automotive industry to work together in the spirit of partnership, he said "Ours is a listening Govt, and we are delighted to be available to the auto industry to find solutions & work together in partnership to achieve a better future, increase localisation in India & harness export potential on fair terms. When a company works in India, they get a large Indian market."

The Minister said that as we move towards Aatmanirbhar Bharat in the automobile sector, industry's role becomes even more important. He said the Government is willing to engage as often as required to find solutions for greater global engagement. A focused approach in particular sectors will help us increase our contribution to global supply chains.

Mr Goyal asked the automotive companies present in the country to ask their principles to reduce royalties. He said that reducing this could help the Indian units of these companies to sail through the crisis easily. He said that the automakers that hold a sizeable chunk of the country's auto market pay millions of dollars as royalty to their parent companies. Reduction in Royalty can help them reduce the cash outflow, bring down the vehicle prices and help in boosting their domestic sales.

Regarding the Aatmanirbhar Bharat -Self-reliant India, Mr Goyal said that the auto industry needs to re-strategise to emerge stronger from the crisis. He said that India is looking at its domestic capabilities and the expansion of capabilities through the Aatmanirbhar Bharat campaign. "India is willing to provide a very facilitative environment to companies, looking for a more trusting trade partner and a better supply chain. We have to look at sectors where we have the edge over other countries. The auto industry holds that potential. Here we have a large market and companies can get scale which is very important for cost competitiveness," the minister added.

On the issue of Quality Control Orders (QCO), Mr Goyal said that these should not be seen as barriers. He said that it is high time India starts looking at quality control and provides the world with high-quality products. "Once we get the quality consciousness in the country as a whole, we will transform India's future, and that is the effort we are taking. Quality is never expensive. It brings down the cost. Quality brings in a culture in the company which always brings in: - More efficiency, Better productivity, and Makes cost reasonable. We need to bring in a culture of quality in the country, which has to be emulated by the customer. Only then will we become a global player," he said.

Quoting Swami Vivekananda, "If the mind is intensely eager, everything can be accomplished-mountains can be crumbled into atoms," the Minister said that he is glad that auto industry is looking at re-skilling & re-training the workers to align them with current trends in manufacturing

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. Mr 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.

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