

**ADDRESS BY THIRU. BANWARILAL PUROHIT, HON'BLE GOVERNOR  
OF TAMIL NADU AT THE VALEDICTORY OF 37<sup>TH</sup> EDITION OF THE FISITA  
WORLD AUTOMOTIVE CONGRESS AT CHENNAI TRADE CENTRE,  
NANDAMBAKKAM, CHENNAI ON 05.10.2018 AT 4.00 PM**

Anaivarukkum Maalai Vanakkam

Dr. Aravind Bharadwaj  
Chair- Steering Committee

Dr. Pawan Goenka,  
Patron – FISITA 2018

Dr. Bala K Bharadvaj,  
President, SAEINDIA

Prof. Frank Zhao,  
President – FISITA 2018-20

Thiru. N. Balasubramanian,  
Chair – Organizing Committee

Prof. Ondrej Vaculin,  
Chair – OC FISITA 2020

Distinguished Invitees  
Ladies & Gentlemen

It gives me great pleasure to take part in the valedictory function of the 37<sup>th</sup> World Automotive Congress, being held in Chennai.

It is a matter of pride and happiness that FISITA and Society of Automotive Engineers, India, have been able to successfully bring the event in Chennai, in the face of stiff competition from other automobile manufacturing countries of the world.

The automotive manufacturing industry includes the production of commercial vehicles, passenger cars, three & two-wheelers. The Indian auto industry is the 4<sup>th</sup> largest in the world and India is the 7<sup>th</sup> largest manufacturer of commercial vehicles.

India is also a prominent auto exporter and has strong export growth expectations for the near future. Automobile exports grew 26.56 percent during April-July 2018. To keep up with the growing demand, several automakers have started investing heavily in India in recent months. The Government of India has been actively encouraging investment in the automobile sector and allows the policy 100 percent Foreign Direct Investment under the automatic route.

Hence, the industry has been able to attract Foreign Direct Investment (FDI) worth US\$ 19.29 billion during the period April 2000 to June 2018, according to data released by Department of Industrial Policy and Promotion (DIPP).

Tamil Nadu which stands second among the States of India in its contribution to the nations GDP has traditionally been known for its automobile Manufacturing and through its achievements has earned for itself the title of being the Detroit of Asia.

It accounts for 35% of the Auto Component manufacturing in India. Chennai is the hub of the automobile industry producing over 40% of the country's auto parts and vehicles. Currently, there are six car manufacturers located around Chennai. The total capacity of these six car factories is 13.80 lakh units per year, of which 65000 cars are exported.

Three Chennai based industrial groups manufacture more than 22% of India's auto components production. With the existing tyres manufacturing units and with the commissioning of production by three new tyre manufacturing factories, Tamil Nadu, and Chennai in particular, will become one of the largest hubs in the world for tyre manufacturing.

The Automobile industry offers a high Multiplier effect on the rest of the economy. If the mother plant directly employs one worker, the vendors and support industries employ about eight workers. Again, if the mother project invests \$ 1, the vendors invest about three times.

Make in India a Swadeshi movement covering 25 sectors of the economy was launched by the Government of India on 25 September 2014 to encourage companies to manufacture their products in India and also increase their investment.

As a result, India emerged as the top destination globally in 2015 for foreign direct investment (FDI), surpassing the USA and China, with US\$60.1 billion.

Owing to initiatives aimed at encouraging transparency India has also moved up in the World Bank's Ease of Doing Business Index. The Government has appointed the United Nations Development Programme(UNDP) and the National Productivity Council "to sensitise actual users and get their feedback on various

reform measures". As a result, now there is competition among the states of India to improve their current ranking in the ease of doing business index.

With a huge market, a large scientifically trained man power and conducive weather conditions India is an ideal destination for the manufacturing sector. The make in India initiative is designed to increase the share of the manufacturing sector to a level of 25% in the nation's GDP. The growth of the manufacturing sector will in turn result in a multiplication of employment opportunities leading to greater prosperity and growth. Such a development oriented cycle is possible with the right combination of investment, skill development and technological advancement through research.

Looking towards the future the Government of India recognizes the urgency to look at sustainable mobility solutions to reduce dependency on imported energy sources, reduce GHG emissions and mitigate adverse impacts from transportation. In order to mitigate these, a portfolio of interventions has been planned which includes fuel efficiency improvements, improving inspection and certification systems for reducing emissions from onroad vehicles, urban planning to reduce travel demand, improving mass transport, shift to alternative fuels and technologies including bio-fuels and electric vehicles.

To incentivise the transition to electric vehicles in the future, the National Electric Mobility Mission Plan has been announced. The production of electric vehicles in India will help to mitigate the adverse environmental impacts of vehicles, enhance energy security, and reduce our dependence on imported fuel for purposes of mobility.

In a recent address at the Global Mobility Summit Hon. Prime Minister of India, Narendra Modi, gave a clarion call to the Future of Mobility based on 7 C's (Common, Connected, Convenient, Congestion free, Charged, Clean and Cutting edge).

The Ministry of Heavy Industries, Government of India has shortlisted 11 cities in the country for the introduction of electric vehicles (EVs) in their public transport systems under the FAME (Faster Adoption and Manufacturing of (Hybrid) and

Electric Vehicles in India) Scheme. The Government will also set up incubation centers for start-ups working in electric vehicle space.

With its rapid economic development at a projected annual GDP growth rate of 7 per cent through 2020, ongoing urbanization, a burgeoning consuming middle class, supportive regulations and policies, and the 'Make in India' initiative, new records and breakthroughs await to be made.

I am sure that the industry will make full use of the policies of the Government to speed up growth within the automobile sector.

I congratulate the FISITA and the Society of Automobile engineers for the meticulous manner in which they have conducted this world Automobile Congress. I am sure that the deliberations have been productive and that the plan of action has been charted out, so that the future sees an environment friendly, affordable, compact automobile machine on the roads to meet the needs of the consumer.

The times ahead promise to be bright for the automobile sector. If we capitalize on the opportunities provided to us, India is sure to emerge as the leader in the production of automobiles and auto components in the World. In that respect the World Automotive Congress held in Chennai will be a trend setter.

May such success be witnessed by the automobile sector, Tamil Nadu and India in the near future.

Nandri Vanakkam...

Jai Hind....