

# Automotive Plan-2016-26

# Mission

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**Source:** PIB

The Department of Heavy Industry has finalised the Automotive Mission plan 2016-26 (AMP 2026) jointly with Indian Automobile Industries in the year 2017

## What is it?

AMP 2026 seeks to define the **path of evolution of the automotive ecosystem in India including specific regulations and policies** that govern research, design, technology, testing, manufacturing, imports/exports, sales, use, repair, and recycling of automotive vehicles, components and services. This **includes new technologies like electric vehicles and associated infrastructure and new fuel efficiency regulations as well.**

## Vision and targets

### Vision statement

**“By 2026, the Indian automotive industry will be among the top three of the world in engineering, manufacture, and export of vehicles and auto components, and will encompass safe, efficient and environment-friendly conditions for affordable mobility of people and transportation of goods in India comparable with global standards, growing in value to over 12% of India’s GDP, and generating an additional 65 million jobs’**

### Growth Target

The AMP 2026 envisages that the Indian Automotive Industry will grow 3.5-4 times in value from its current output of around Rs 4,64,000 crore (as of 2015) to about Rs16,16,000-18,88,500

**crore by 2026**

## **Objectives**

- To propel the Indian Automotive industry to become the **engine of the “Make in India” programme.**
- To make the Indian Automotive Industry a significant contributor to the “Skill India” programme.
- **Promote safe, efficient and comfortable mobility for every person in the country,** with an eye on environmental protection and affordability **through both public and personal transport options.**
- To seek **increase net exports of the Indian Automotive industry** several-fold.
- Promote **comprehensive and stable policy dispensation** for all regulations impacting the industry.

## **Interventions**

**Auto fuels and Emission norms:** there is a general perception that bulk of the atmospheric pollution in many Indian cities today is contributed by automobiles, which does not appear to be borne out by facts. Therefore AMP 2026 advocates the need for a scientific and transparently conducted study of the causes of air pollution in Indian cities. It also proposes the introduction of emission standards as in the developed countries to be implemented all over the country. Norms for emission control pronounced by AMP 2026 are;

1. Bharat stage V (BS V) emission norms may be adopted by India by the year 2019 for new models and
2. Bharat stage VI (BS-VI) emission norms may be adopted by 2023 for four-wheelers. etc

**Safety Regulations:** AMP 2026 recognizes the need for articulating a clear roadmap over the next decade that will make Indian vehicles comply with global standards of safety (in line with the UNECE World Forum for Harmonization of Vehicle Regulations)

**Inspection & Certification (I&C) Regime:** As a logical complement and extension of the I&C regime, AMP 2026 envisages the implementation of an 'End of Life' policy for automotive vehicles and components in a manner that is in line with safety and preservation of the environment.

**Trade Policy:** the trade policy of the Government has a huge impact on the growth and well-being of the Automotive industry in multiple ways, and given the large socio-economic footprint off the Indian Automotive industry, AMP 2026 purports to make several inputs in this regard

1. **Duty structure in the automotive value chain:** AMP 2026 supports the rationalisation of custom duties on all raw materials, intermediaries, components, and sub-assemblies that are used in automotive components and vehicles in a manner that there is no inverted duty structure.
2. Free Trade Agreement
3. **Foreign Trade Policy:** The current foreign trade is for a five year period with a provision for mid-term course correction. A similar approach will be adopted for the remainder of the period of AMP 2026.

**Fiscal & Taxation measures:** AMP 2026 suggests five principal fiscal supports for the Indian Automotive industry.

**Skill Development:** The Auto Sector Skill development Council will be the apex industry body for skill development under the various programmes by the Government of India. The Auto Sector Skill development Council will continually track and benchmark with global best examples the skill gap deficiency in the Indian Automotive industry

**Automotive specific Infrastructure:** The government recognizes that the rapid growth of the automotive industry in the coming decade will involve a big increase in the movement of physical goods both within the country and across the seaports

**Accelerating Physical Infrastructure:** AMP 2026 envisages the provision of world-class infrastructure to the Indian Automotive industry with respect to Electricity, Ports, Railways, Roads, and Social infrastructure