

cleaning, logistics, driving and vehicle sales. However, the estimation does not include persons employed in road maintenance, dhabas, grocery shops, music industry, etc. as it was difficult to assign linkages to them with vehicle production or usage.

- However, the employment creation has been based on current productivity levels. The figures might change in future as productivity level improves.

The basis of calculation is as follows:

1. The additional direct employment at OEM level has been based on number of vehicles produced by number of employees engaged. The actual numbers has been rounded off to its level of significance.
2. The basis of employees at the component manufacturer level and at the raw material level is based on the following exhibit:

Exhibit 18: Employment Creation in the Indian Auto Component Industry

Employment Generated by component industry				
	2 Wheelers	3 Wheelers	Cars	CV
Components procured/ Sales:	60%	55%	70%	55%
Value of Components:	18,000	55,000	210,000	330,000
VA per worker in mfg:	202,500			
Employees engaged:	0.089	0.27	1.04	1.63
RM procured by OEM:	15%	20%	10%	20%
RM procured by Components:	45%	45%	45%	45%
Value of RM:	12,600	44,750	124,500	268,500
Value added per worker in RM:	180,000			
Employees engaged:	0.070	0.25	0.69	1.49

Source: IMA CS analysis

3. The employment in service sectors has been based on the vehicle lifetime cost distribution and the approximate value added per employee in various lines of services. The same is shown below: