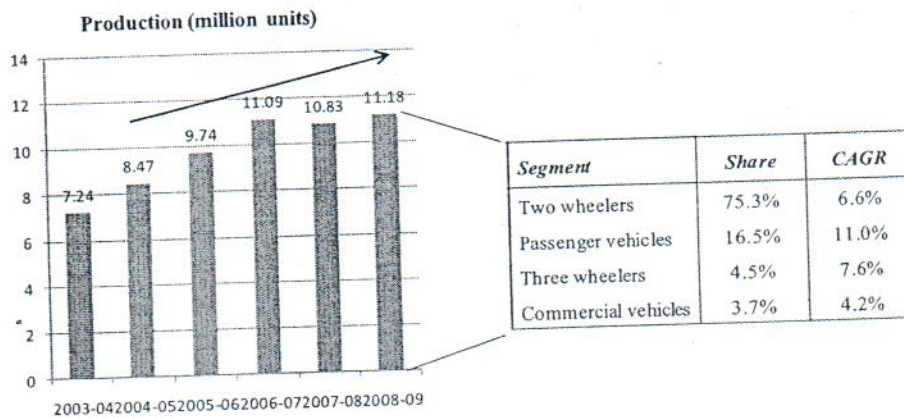


## Annexure III: Skill Requirements in the Indian Auto Industry

### Introduction

The liberalisation of the Indian industry saw significant growth in the Indian Automotive Industry. Today, the Indian Automotive Industry is a significant contributor to the Indian economy, contributing nearly 5% to the country's GDP and about 17-18% to the kitty of indirect taxes to the Government, while investment outlay stood over Rs. 83,500 crore in 2008-09. Economic liberalization coupled with its technological, cost and manpower advantage have made India one of the prime business destination for many global automotive players.

Exhibit 14: Automobile Production in India



Source: SIAM, ImaCS Analysis

The evolution translated into a clustered growth owing to high dependence of the Industry on integrated supplier network. The nucleated growth further gained support from favourable policies of those particular States wanting to promote industrialisation in their respective regions. As a result, certain key centres of production with high concentration of Auto-OEMs and Auto-component manufacturers emerged, namely Pune, Gurgaon, Chennai - Bangalore supported by upcoming smaller clusters like Pitampur and Pantnagar.

Moreover, in recent years several global brands have established their base in India. India is not only being seen as a huge potential market but also as a favourable destination capable of developing into a global manufacturing hub, particularly for compact cars. These developments require conscious development of manufacturing and support areas.