Union Minister of Commerce & Industry Shri Piyush Goyal Calls Upon Automotive Industry to Deepen Localisation, Expand Exports and Prepare to Serve Global Markets

Shri Goyal Highlights Export Opportunities and Calls for Global-Standard Products from India

Resilience in automotive sector to come from partnerships, technology, innovation, R&D, skill development and diversified global markets: Shri Goyal

AI will help automotive industry become more efficient, competitive and customer-friendly; job roles may change, but jobs will grow: Shri Goyal

Government ready to support industry with critical minerals, technology, plug-and-play infrastructure and industrial parks

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Union Minister of Commerce and Industry Shri Piyush Goyal today addressed the 66th SIAM Annual Convention as Chief Guest and called upon the Indian automotive industry to seize the opportunities emerging from India's expanding trade partnerships, growing domestic market and global shifts in manufacturing. He urged the industry to deepen localisation, invest in technology, innovation, research and development, expand exports and prepare itself to serve global markets.

Shri Goyal said the automotive sector would be one of the most important drivers of India's growth story in the years to come. He said the industry had demonstrated strong growth and that rising incomes and aspirations offered considerable scope for this growth to continue.

The Minister said India should not be satisfied with merely serving the domestic market and urged companies to “think globally”. He said global competition would intensify as more global car companies come to India and stressed that companies must use economies of scale in India to serve markets across the world. He observed that production would increasingly shift out of developed countries because of unaffordable costs, regulatory overburden, shortage of youth and talent, and inadequate industrial capacities. Companies that anticipate these changes, plan for the future and seize emerging opportunities would benefit, while those remaining in the comfort of their existing businesses and markets risked being left behind.

Shri Goyal said India had made a "best effort" through intense negotiations with the European Union and that the support extended by international companies during the negotiations was noteworthy. He said the outcome provided opportunities for bilateral and multilateral trade, growing exports, improved technology absorption and adoption of the latest technologies, and urged companies to take full advantage of these opportunities.

He cautioned that companies should not produce products of a different quality for India compared to their international or domestic markets. Referring to instances where vehicles were reportedly not being exported because their Indian designs were considered suboptimal compared to globally sold models, he urged the industry to ensure that products manufactured in India meet global standards.

The Minister said the Government was opening pathways to tremendous opportunities for the automotive industry through trade agreements. He highlighted that nine trade agreements had been finalised in the last four and a half years under the leadership of Prime Minister Shri Narendra Modi, covering economies with a combined GDP of around $60 trillion. He said this represented a major shift in India's approach, reflecting the self-confidence of "New India", the pace of reforms and the transformation of India's ecosystem.

Shri Goyal said the India-EU agreement, described by the European Commission President as the "mother of all deals", would be operational by March next year, urging the automotive industry to prepare to leverage the opportunities. He also noted that the UK agreement was already operational, providing, to his understanding, 100 per cent access for most auto components at zero duty.

The Minister said India's trade agreements had been negotiated after extensive consultations with hundreds of sectoral chambers and stakeholders. He said the Government had consulted not only line ministries but also private-sector associations and groups of companies, and that every trade agreement, bilateral trade agreement and preferential trade agreement undertaken by the Government had been widely welcomed. He said that, in the US bilateral trade agreement, not a single Indian sensitivity had been compromised, including those relating to farmers, fishermen, MSMEs, workers, handloom and handicraft sectors and industry. He reiterated that the Government had protected India's sensitivities to the highest extent possible through consultations and that the agreement represented only the first tranche, with continued engagement with stakeholders to follow.

Shri Goyal said India had recorded $863 billion in exports of goods and services last year and set an ambitious target of $1 trillion for the current year. He said exports were growing at around $9 billion a month during the first five months, with merchandise exports growing faster than services after many years. With a gap of around $29 billion to the target over the remaining seven months, he urged industry to raise the monthly pace to $12 billion and said he would rather aim high and fall short than set a suboptimal target, expressing confidence that India and its 1.4 billion people had the capability to achieve the target.

Shri Goyal said AI would help the automotive sector expand capabilities, improve efficiency and competitiveness and enhance customer service, while creating new job profiles, stressing that "job roles may change, but jobs will grow". He said technology adoption was essential for inclusive and sustainable growth and that resilience extended beyond supply chains to business plans, innovation, R&D, technology, skill development and talent, with AI playing an important role in building resilient and sustainable mobility for Viksit Bharat.

Shri Goyal said sustainable mobility should go beyond replacing petrol and diesel vehicles with electric vehicles, noting that companies often presented different comparisons on EVs, hybrids, battery imports and energy sources depending on their product portfolios. He stressed that sustainability must have both environmental and economic dimensions and questioned claims of indigenisation involving only 10-15 per cent value addition to imported goods.

Pointing to actual performance, he cited India's export of around one million cars last year, growing exports by Maruti and the emergence of world-class electric vehicles from Tata Motors and Mahindra, including Maruti's exports of electric cars.

Shri Goyal said the automotive sector had strong growth potential, with ACMA reporting around 16-17 per cent growth and several automobile companies recording over 20 per cent growth, driven by rising incomes and aspirations. He also highlighted growing demand for two-wheelers and premium vehicles, supported by expanding highways and around $130 billion in annual investment in road infrastructure, while stressing the need for better road quality. Shri Goyal urged the automotive industry to look more actively at export markets, saying that exports could potentially double every two years.

Shri Goyal said the perception that Indian automobiles were made only for India was changing, with India-designed electric vehicles being engineered in Britain and Europe demonstrating the potential of global partnerships. He said resilience would come from partnerships and urged companies to further deepen localisation.

He said the Government was monitoring company-wise import-export data to assess actual levels of indigenisation and urged companies unable to localise certain products to compensate by expanding exports. He assured the industry that the Government was willing to create the necessary enablers and extend support wherever required.

Shri Goyal said that, as the global environment became more complex, India was seeking to secure the "four M's of mobility" through trusted global partnerships, namely molecules, modules, megawatts and markets.

On molecules, he referred to rare earths, magnets and the Critical Mineral Mission, and said India was exploring linkages in some FTAs with the availability of rare earths and critical minerals, promoting ocean exploration for special minerals and participating in Pax Silica with the United States.

He said the Government would support companies undertaking innovation, investment and R&D in this area and highlighted the ₹1 lakh crore Research and Development Innovation Fund.

On modules, he urged companies to examine components they continue to import and pursue technology collaborations and partnerships wherever required.

Shri Goyal said his recent visit to Japan witnessed strong interest from Japanese companies in partnering with India, with more than 50 one-on-one meetings and interactions with around 500 companies. He said European companies were also seeking partnerships and talent from India, while Japan had indicated a requirement for 300,000 people annually, presenting opportunities for Indian companies to train apprentices and build a skilled talent pool.

Shri Goyal said this also presented an opportunity for Indian companies to collaborate with overseas companies, bring technology to India, manufacture products here and sell them back to those markets.

On megawatts, he said India needed to become self-sufficient in energy and promote indigenous energy sources. He stressed the need to become self-sufficient in crude oil, LPG and LNG, and to develop or bring to India technologies for batteries and other technologies.

He said India needed to produce increasingly efficient vehicles because environmental sustainability required a better future.

Shri Goyal said India demonstrated resilience in addressing the challenge of permanent magnets by bringing together the automotive industry, startups, IREL, the science and technology establishment and relevant Ministries. He said the collective response from industry and startups was encouraging, with a startup demonstrating two two-wheeler motors, one using permanent magnets and the other without them.

According to the Minister, the startup claimed that the motor without permanent magnets was cheaper, lighter, had better features and delivered better output. He said he had asked one of the industry's member companies to engage with the startup and validate the claim, noting that the startup had already presented validations from different agencies.

He described the development as particularly satisfying from the perspective of India's objective of becoming more self-reliant under the vision of Atmanirbhar Bharat.

Shri Goyal said India should not set suboptimal export targets despite the global turmoil, stressing that trade agreements and India's global partnerships were aimed at creating opportunities for Indian industry. He said countries were seeking to expand trade with India and urged companies to make the most of the opportunity.

He said India had a clear roadmap to become a developed nation by 2047 and stressed the need to reduce dependence on imported crude oil and energy by promoting domestic exploration and utilising the country's natural resources.

Shri Goyal said the Government was willing to support large automotive and auto-component projects through land and plug-and-play infrastructure and invited industry to identify locations for such ecosystems. He also offered to facilitate country-specific industrial parks based on industry demand.

Concluding his address, Shri Goyal urged the industry to deepen localisation, expand exports and set an ambitious export target, stressing that competing with the best in the world was essential to achieving Viksit Bharat 2047. He assured the industry of the Government's continued support and said India's growth at an unprecedented pace would require the collective effort and confidence of its 1.4 billion people.

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