

## Draft National Auto Policy

### Why in news?

\n\n

The Department of Heavy Industry, Ministry of Heavy Industries & Public Enterprises has recently released the draft National Auto Policy.

\n\n

### What are the objectives?

\n\n

\n

- The policy envisages propelling India as an automotive industry amongst the top three nations in the world.

\n

- This is in terms of engineering, manufacturing and export of automotive vehicles and components.

\n

- It aims at making India a globally competitive auto R&D and manufacturing hub.

\n

- It also intends to make the automotive industry a major contributor to the country's manufacturing sector GDP.

\n

- It is also to aid achieving the targeted objectives of green mobility.

\n

\n\n

### What are the key provisions?

\n\n

\n

- **Import duty** - The Policy proposes lowering of import duties.

\n

- This applies to capital goods, equipment and machinery for manufacture of new technology components.

\n

- Companies will have to declare at the beginning of every financial year the

volume of prototypes planned to be imported.

\n

- The import duty exemption to companies will be given only on this pre-declared volume.

\n

- **Green Mobility** - The policy emphasizes fast-tracking widespread adoption of green mobility in India.

\n

- It calls for mandating a minimum share of green vehicles among those purchased by the government and municipal agencies.

\n

- Accordingly:

\n

\n\n

\n

- i. central and state governments - 25% from 2023 and 75% from 2030

\n

- ii. municipal corporations in metros - 50% from 2023 and 100% from 2030

\n

\n\n

\n

- **Emission** - The policy eyes adoption of a long-term roadmap for emission standards.

\n

- It proposes to define emission standards that will be applicable after BS-VI.

\n

- The standards will be with a target of harmonizing them with the most stringent global standards by 2028.

\n

- Introduction of new norms will be initiated in 2026 with a 2-year phase-in period.

\n

- It also envisions the Corporate Average Fuel Economy (CAFE) norms till 2025 and beyond.

\n

- These norms are for improving the average fuel economy of vehicles, and fix incentives or penalties.

\n

- **GeM portal** - The draft policy suggests utilising the Government e-Marketplace (GeM) portal.

\n

- This is to aggregate all green vehicle orders with standard specifications and enable bulk procurement.

\n

- **Infrastructure** - The policy recommends conducting a detailed study on requirement of public infrastructure for green vehicles.

\n

- This is to make the necessary infrastructure investments for green mobility.

\n

- **Skill development** - The policy proposes improving the skill development and training eco-system.

\n

- It advocates increasing the accountability of Automotive Skills Development Council (ASDC) to achieve this.

\n

- Performance based funding is suggested as a measure.

\n

- Performance metrics include incremental employment generated, level of employment, curriculum coverage, etc.

\n

- **Employment** - The draft policy suggests ASDC to implement a Labour Market Information System (LMIS).

\n

- This is to facilitate aggregated information of certified candidates.

\n

- It also serves as a marketplace to match demand and supply of skilled labour.

\n

- It thereby helps boost employment creation in the sector.

\n

- **Investment** - The policy entails incentivising Public Private Partnership (PPP) based industry investments.

\n

- This is particularly for research and development of commercially viable technologies through a Hybrid Annuity Model (HAM).

\n

- The policy also calls for encouraging FDI in the country's Automobile sector.

\n

- This is proposed to be in coordination with Invest India to attract investments in identified areas.

\n

- Initiating trade pacts with countries with attractive markets for Indian automotive exports is also called for.

\n

- **Besides**, the draft auto policy also suggests setting up of a 'technology acquisition fund'.

\n

- It proposes creation of a nodal body with a two-tier structure having an Apex Body supported by the National Automotive Council (NAC).

\n

- The apex body will have government representatives as well as stakeholders nominated from the industry and academia.

\n

\n\n

\n\n

**Source: Business Standard, Economic Times**

\n

