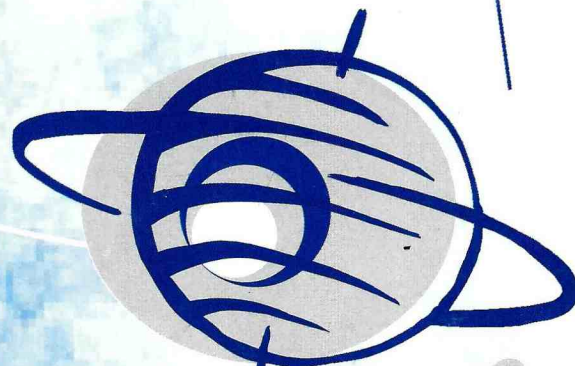


4

SIAM

Society of Indian Automobile Manufacturers

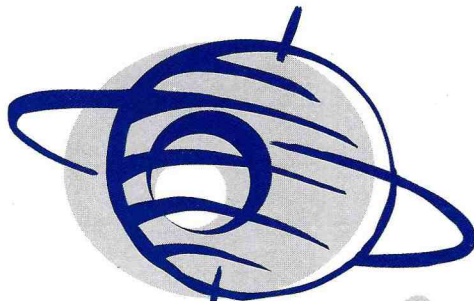
**FOURTH ANNUAL REPORT
2001-2002**



 **GLOBAL TRENDS
INDIAN IMPERATIVES**

SIAM

Society of Indian Automobile Manufacturers



GLOBAL TRENDS
INDIAN IMPERATIVES

FOURTH ANNUAL REPORT **2001 - 2002**

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PRESIDENT'S MESSAGE

The year 2001-2002 was too eventful to oblige us and be erased from memory in a hurry. It witnessed events of far-reaching consequences that prompted the civilised world to introspect on its fundamentals including freedom, fairness and security.

The collective impact of these events on Indian economy and the national psyche stymied the revival that was in the offing in Indian industry and equally so in the auto industry.

The auto industry recorded a growth of 13 % in number terms in the year 2001-2002 over the previous fiscal and 5% in value terms during the corresponding period. The two wheeler segment showed a remarkable recovery, recording a growth of 16% in number terms over the corresponding period in the previous year. Sale of three wheelers was up by 10%. However, the commercial vehicles, passenger cars and three wheeler segments showed negative growth. On the export front, the passenger car segment recorded an impressive performance of 118%.

The initial signals for the automobile industry in FY 2002-2003 are, however, positive. The two wheeler segment continued to do well in this quarter, growing by almost 29%. This is also reflected in higher off-take of petrol (14% growth in May 2002 against May 2001) compared to diesel (1.1% growth in May 2002 over May 2001).

June sales of passenger cars indicate that the things may finally be looking up for this segment. While the passenger vehicles segment comprising of passenger cars, utility vehicles and multipurpose vehicles, is the only segment during the first quarter of the financial year, which has been lagging, June sales have picked up compared to June 2001.

The personal vehicle segment is expected to show better performance with rationalisation of personal income tax as announced by the Finance Minister. With reduction in tax burden on individuals and consequent improvement in disposable income, both passenger vehicle and two wheeler segments will hopefully get further boost.

Growth of commercial vehicle segment, from which the pulse of the economy can be felt, has been up by 37% during the first quarter of 2002-03 compared to the same period last year. If the macro economic growth is sustained, automobile industry may look forward to a satisfying 2002-03.

As I look back at my first year as President of SIAM, I do so with some satisfaction. Some of the thought and action processes we have set in motion will determine the long term growth and development of the auto industry. SIAM has also been able to deliver on some of its major commitments.

The much awaited Auto Policy was announced by the Government in March 2002. The Auto Policy addresses the major requirements of the automobile sector, including-

- promotion of R&D in the automotive sector to ensure continuous technology upgradation, building better designing capacities to remain competitive;
- impetus to Alternative Fuel Vehicles (AFVs) through appropriate long term fiscal structure to facilitate their acceptance;
- emphasis on low emission auto technologies and availability of appropriate auto fuels

The Policy has rightly recognised the need for modernising the vehicle fleet to control vehicular pollution. The terminal life policy for commercial vehicles and move towards international taxing policies linked to age of vehicles, are steps in the right

direction. SIAM has also presented to MoHI & PE a detailed report on Project Modernfleet which recommends incentivising people to replace their old vehicles rather than just forcing old vehicles off the road.

We are in constant dialogue with the Government on issues which also need to be addressed by the Auto Policy including the necessity of promoting value addition in the country. The Auto Policy needs to build in provisions that will encourage Indian brands and product development capabilities in the country.

Last year when we announced our agenda for 2001-2002, we had identified two major projects, one was with regard to upgradation of testing facilities and the other was preparing a roadmap for alignment of vehicle safety standards. Both the documents are now being discussed by the concerned stakeholders - the government, testing agencies and the automotive industry.

Upgradation of testing facilities has to be accorded the highest priority as we are on the way to aligning with increasingly stringent emission and safety norms. It is vital from the point of view of time and financial resources. We are happy that the Government has identified automotive testing facilities as a thrust area.

On the issue of alignment, the theme for this Annual Convention "Global Trends & Indian Imperatives" is very relevant. Alignment and harmonization are emerging to be survival strategies. These however need to be considered in the context of Indian imperatives - economic development, road condition, usage pattern, life of vehicles, etc. SIAM would welcome India joining the UN ECE / WP 29, the world body for evolving rules and regulations for vehicles, initially as an Observer before we formally become signatories to one of the two major agreements formulated in 1958 and 1998 respectively.

SIAM actively pursued its social agenda of promoting cleaner and safer vehicles. It is heartening to see several State Governments endorse the SIAM model of computerized emission check centres. We are committed to promoting this movement in every part of the country.

Looking ahead, it is time to consolidate on the initiatives taken and move towards becoming a globally competitive industry that provides the Indian customer a contemporary choice appropriate to his needs and purchasing power. We also need to make every effort to make the Made in India brand globally recognized and accepted. We need to accelerate the pace of indigenous R&D to achieve this objective.

This would also call for concomitant effort from both Industry and Government. The importance of world class infrastructure at competitive prices cannot be overemphasized. Industry also needs to restructure, reduce costs and achieve economies of scale. These are essential if domestic industry has to survive and thrive in the face of competition from inexpensive products from other countries.

I would like to take this opportunity to thank all members of SIAM and the auto industry fraternity for their support and guidance for the major initiatives taken by SIAM and look forward to their cooperation in fulfilling our goals for the year ahead.

3 September 2002

New Delhi



R Seshasayee

President

SIAM IS AN
IMPORTANT
CHANNEL OF
COMMUNICATION
FOR THE
AUTOMOBILE
INDUSTRY
WITH THE
GOVERNMENT,
NATIONAL
AND
INTERNATIONAL
ORGANISATIONS.

ABOUT SIAM

SIAM is an apex industry body representing 33 leading vehicle and vehicular engine manufacturers. SIAM is the successor organisation of AIAM, which was incorporated in 1960 with eight members. In order to facilitate greater flexibility in operation in the emerging world order of free trade, the members of AIAM decided to constitute a Society - Society of Indian Automobile Manufacturers (SIAM) in May 1999. All 30 members then, including Indian companies, joint ventures and fully owned subsidiaries of global auto majors have subscribed to this transition to SIAM.

SIAM is committed to the cause of environment and safety and continues to support and enhance the Industry's role as a responsible Corporate Citizen. It plays a proactive role on all issues that promote sustainable development of the Automotive Industry, focussing on technology upgradation addressing environmental and safety imperatives.

SIAM is an important channel of communication for the Automobile Industry with the Government, national and international organisations. Dissemination of information is an integral part of SIAM's activities, which it does through various publications, reports on production and sales, seminars and conferences. SIAM also organises, biennially, the Auto Expo series of Trade Fairs in cooperation with the Confederation of Indian Industry (CII) and Automotive Component Manufacturers Association of India (ACMA).

SIAM strives to keep pace with the socio-economic and technological changes shaping the Automobile Industry and endeavours to be a catalyst in the development of a sustainable Automobile Industry in India.

SIAM INITIATIVES & EVENTS - HIGHLIGHTS

ECONOMIC ROUND-UP

Meeting with Mr Yashwant Sinha, Union Finance Minister

September 2001

The Finance Minister called a meeting of representatives from the Cement, Construction and Automobile Industry to discuss ways and means for spurring demand in these sectors.

Some of the suggestions made for spurring demand in the auto sector included:

- Further strengthening of NBFCs to take advantage of their credit delivery and collection mechanism. Banks to refinance NBFCs at concessional rate in such operations.
- Commercial Vehicle sector lending should have priority sector status and could be financed/refinanced through NBFC at a concessional rate.

The other issues discussed during the meeting, related to:

- Strengthening export development efforts
- Introduction of Vehicle Retirement Policy
- Setting up of test facilities
- Introduction of VAT
- Dismantling of APM

Aide Memoire presented to Mr N K Singh, Member, Planning Commission on Automobile Industry Issues and Concerns to be addressed in 10th Five Year Plan (2002-2007)

October 2001

The aide memoire focused on:

- Strengthening of infrastructure
- Increased allocation for R&D (Cess Fund)
- Fiscal issues
 - Incidence of Tax
 - Customs duty structure
 - Conditions of import
- Financing Policy - special focus suggested for easy and cheap availability of finance in semi-urban and rural areas as these areas offer substantial headroom for growth.
- Labour Policy - auto industry tends to be cyclical and therefore requires a flexible labour policy.
- Fleet Modernisation to control pollution from on-road vehicles

SOME OF THE
SUGGESTIONS
MADE FOR
SPURRING
DEMAND IN
THE AUTO
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FURTHER
STRENGTHENING
OF NBFCs.
COMMERCIAL
VEHICLE
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LENDING, TO
HAVE
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SECTOR
STATUS

INITIATIVES & EVENTS

THE AUTO
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DOUBLE ITS
CONTRIBUTION
TO THE
ECONOMY BY
2010."

Review on Implementation of VAT

November 2001

SIAM took up the issue of Value Added Tax (VAT) and the concerns of the Automobile Industry at various fora. Mr R Seshasayee, President, SIAM and Mr K K Swamy, Chairman, Committee on VAT Implementation explained the relevant issues including the fact that the Automobile Industry has a unique manufacturing profile, involving multi-tiered supply chains and movement of assemblies and sub-assemblies from State-to-State. In the process, the product gathers a lot of Central and State taxes which get embedded in the product cost. It was therefore, important VAT relieves the cascading effect and a simple rate on value is collected.

SIAM Committee on VAT Implementation had meetings with the Empowered Committee on VAT implementation, MoF officials, State level meetings with Tamil Nadu, Karnataka, Haryana & UP, and extensive interactions with CII to put forth its concerns on the present format and make suggestions for a smooth implementation from April 2003.

The issues that were identified to have major impact on automotive industry were Inter State Trade, Incentives and RNR (Revenue Neutral Rates)

Union Budget 2002-2003

February 2002

SIAM submitted its Pre and Post-Budget Memorandum to the Ministry of Finance and other Ministries incorporating its suggestions on Excise & Customs duty structure and other policy related issues.

The Union Budget 2002-2003 proposals aim to carry out the second-generation reforms. The measures are likely to have long-term rather than short-term implications.

SIAM welcomed the proposals of the Government including the move towards dismantling of Administered Price Mechanism (APM), the reforms of capital account convertibility and liberalising FII. These announcements would strengthen India's commitment to globalisation.

The peak rate of customs duty was reduced from 35% to 30%. Though it was a welcome step SIAM in its Post-Budget Memorandum has suggested that on Commercial Vehicles (CVs) and Utility Vehicles (UVs) the tariff be increased to 40% (i.e., the bound rate).

The move towards strengthening infrastructure including roads, finance, and marketing facilities, etc. would go a long way in providing thrust to the rural sector and reviving the overall economy.

Industry supports the Government in its move towards rationalisation and simplification of the tax structure wherein the Government proposes to have only one rate of excise duty i.e. 16% in two years' time. The move for customs tariff to be brought to two basic rates of 10% and 20% in three years' time provided they are preceded by internal reforms.

The announcement to allow additional depreciation rate of 15% on new plant and machinery or

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for expansion of existing installed capacity by at least 25% is a welcome move in the context of industry upgrading technology in the wake of accelerated requirements for improvement in vehicular safety and emission standards. However, it will not be relevant for many industries including the automobile industry because of the existing over-capacity. It would have been more appropriate to promote investment in R&D to build technological capabilities rather than capacity expansion.

It was also suggested by SIAM that excise duty on Auto CNG be reduced from 16% to 8% to promote alternative fuels vehicles.

Other issues included in the Post Budget Memorandum are:

- Removal of anomaly that exists in the excise duty applicable on bus body building activity in the organised vs unorganised sector
- Alignment of classification for Excise Duty purposes to Harmonised System Nomenclature (HSN) and thereby bringing the Excise Duty applicable on UVs at par with that on CVs
- Fiscal incentives to promote Alternative Energy Driven Vehicles

Auto Policy

March 2002

The Auto Policy has spelt out the direction of growth for the auto sector in India – “to establish a globally competitive Automotive Industry in India and double its contribution to the Economy by 2010.” The Ministry of Heavy Industries and Public Enterprises presented Auto Policy to the Union Cabinet and the same was subsequently ratified by the Parliament. Steps in the right direction-

- promotion of R&D
- impetus to Alternative Fuel Vehicles
- emphasis on low emission auto technologies
- encouragement to construction of safer bus/truck bodies by removing fiscal anomaly
- Modernising the parc profile of vehicles

SIAM has always been advocating encouragement of value addition within the country against mere trading activity. However, this aspect has not been fully addressed. The Auto Policy allows automatic approval for foreign equity investment upto 100% in the automotive sector and does not lay down any minimum investment criteria.

A Joint Interactive Session with the Ministry of Heavy Industries & Public Enterprises was organised by Society of Indian Automobile Manufacturers (SIAM) in which Mr Suresh Prabhu, Union Minister for Power, Heavy Industries & Public Enterprises and Dr Vallabhbhai Kathiria, Minister of State participated. Mr B N Jha, Secretary, Department of Heavy Industries & Public

THE
UNION
BUDGET
2002-2003
PROPOSALS
AIM TO
CARRY OUT
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SECOND-
GENERATION
REFORMS.

INITIATIVES & EVENTS

NEW CLASSIFICATION OF VEHICLES, WHICH IS IN LINE WITH INTERNATIONAL PRACTICES, FOR RELEASING ITS STATISTICAL REPORTS

Enterprises and other senior officials were also present.

An Inter Ministerial Committee under the Chairmanship of Secretary, Ministry of Heavy Industries & Public Enterprises has been constituted to oversee implementation of the recommendations in The Auto Policy.

Subsequently, a Task Force to look into exports has also been set up.

New Classification of Vehicles in line with International Practices

April 2002

Society of Indian Automobile Manufacturers (SIAM) has introduced a new format for Classification of Vehicles, which is in line with international practices, for releasing its Statistical Reports. The new format drawn up by the Task Force on Classification of Vehicles under the Chairmanship of Mr Abhay Firodia, Chairman and Managing Director, Bajaj Tempo, is based on technical parameters and provides a more-detailed segmentation of vehicles.

The new classification would provide flexibility in micro (segment / category wise) analysis of industry performance. It would make correlation and comparison with international data easier. The classification is primarily based on European Economic Community (EEC) structure which defines vehicle categories and vehicle types.

SIAM Presentation on Auto Policy to the Inter-Ministerial Committee

July 2002

The presentation made to Mr B N Jha, Secretary, MoHI & PE and Chairman, Inter-Ministerial Committee to oversee implementation of Auto Policy recommendations, identified interventions required to make the Auto Industry truly world class:

- Funds for setting up world class Test Facility
- Institutionalising R&D Incentives
- Road infrastructure development
- Internal reforms – VAT Implementation
- Rationalisation of Taxation structure
- Fleet Modernisation

Meeting with Commerce Ministry officials on WTO

July 2002

A meeting under the Chairmanship of Mr S N Menon, Addl. Secretary, Ministry of Commerce & Industry was held with participation from different industry associations and export promotion

INITIATIVES & EVENTS

councils. The meeting was convened to sensitise industries that the modalities for tariff negotiations under WTO has to be finalised by 31st March 2003.

Industry's views were sought on four issues :

- Tariff concessions from other countries required for market access
- Acceptable levels of tariff reduction for each industry
- Non-tariff barriers faced by each industry in other countries in terms of labelling requirements, environment, etc and what concessions we should seek
- A single person contact point with backup team to quickly react to tariff related issues with authorisation to take immediate decision

SIAM raised two important issues of concern for the automotive industry -

- (1) MoC in consultation with MoRT&H should immediately notify WTO about all new standards being implemented in India - Emissions, Safety standards, etc. SIAM informed that the observations of US Trade Representatives that India had one of the most stringent emission norms for 2-wheelers which was a non-tariff barrier could have far reaching consequences, and that could have been avoided if we had notified WTO appropriately.
- (2) India needs to join WP-29 negotiations as an observer immediately so that we could understand the implications of the standards being applied internationally.

The issues in WTO that are going to affect the automobile industry are:

- Market access - tariff negotiations and non tariff barriers
- Definition of investment
- Competition policy

SIAM is currently under the process of firming up its position on the above issues.

Project Modernfleet

SIAM submitted its report 'Project Modernfleet' to Mr Ravindra Gupta, Secretary, Ministry of Heavy Industries & Public Enterprises. Presentations have also been made to other key Ministries, Planning Commission, Expert Committee on Auto-Fuel Policy, among others, etc. The main suggestions were:

- Incentivise replacement of all vehicles for commercial use, older than 10 years and private vehicles older than 15 years through rebate on excise and sales tax
- Finance infrastructure development through Clean Air Fund

The response to the report has been positive and is also reflected in the Auto Policy of the Government of India.

AUTOMOBILE
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ASSEMBLIES
AND SUB-
ASSEMBLIES
FROM STATE-
TO-STATE.

Report on Upgradation of Test Facilities for Automobiles in India

The rapid urbanisation leading to increasing pollution and accidents on the road has reinforced the need for more environmentally cleaner and safer vehicles. This has led to swift improvements in automotive technology requiring faster development of automobiles and auto components and their subsequent certification to statutory regulations. Some of the existing facilities with the testing agencies have become obsolete and are not adequate for testing as per new regulations. The investment in the testing facilities has not kept pace with the requirements and this is primarily because the only source of funds available for upgradation of the test agencies is the Automotive Cess Fund, from which only about 15% of the total amount collected (Rs 100 million) is released every year.

Recognising the need for a planned upgradation of automotive testing facilities in the country, Ministry of Heavy Industries and Public Enterprises (MoHI&PE), asked SIAM to draw up a comprehensive plan for test facilities required over the next decade and also to draw up the infrastructural and administrative requirements for these testing facilities.

The SIAM Core Group and Task Force on Upgradation of Testing Facilities under the Chairmanship of Dr K Kumar, Advisor, Maruti Udyog Ltd looked into the details of facilities required to cater to the testing and certification needs of the automobile industry upto 2015. The facilities at some of the best international test centres were studied and as a part of the benchmarking exercise, SIAM also sent a delegation comprising Industry and ARAI representatives, to some of the renowned test centres in Europe.

After detailed deliberations, the report was prepared and presented to the Government and other stakeholders in April 2002.

The Report envisions setting up independent automotive testing centres with state-of-the-art facilities for development and homologation as per current and anticipated international regulations, which will adequately cater to the needs of the Indian Industry upto 2015.

Backed by the vast resource of human skills and software development capabilities, these centres can be developed to make India a hub for product development in the world, especially South Asia.

The Report has recommended test centres for the 3 clusters of automobile companies in the North, South and West. A new Proving Ground at a location where land can be provided by the Government at low cost, keeping the overall national objectives in mind, has been recommended.

The proposed centres will:

- Support/encourage development work
- Share increased homologation work load
- Ensure uninterrupted conduct of testing

- Develop expertise in specialized fields to offer development support to the automotive industry.

This report has had the necessary impact of starting a dialogue on the recommendations among all the stakeholders. International Test agencies have also evinced interest in participating.

Road Map for Vehicular Safety Standards

Environmental imperatives and safety requirements are two critical issues facing the automotive industry, worldwide. Indian Automobile Industry in the last decade has made significant progress on the environmental front by adopting stringent emission standards, and in pursuance of its effort towards aligning with international standards, SIAM has drawn up a Road Map for Automobile Safety Standards. The Roadmap was prepared by the CMVR, Safety & Regulations Committee under the Chairmanship of Mr A Ramasubramanian, Director, Technical & Chief of Product Development, Eicher Motors.

The current traffic conditions, driving habits, traffic density and road user behaviour necessitate that maximum safety be built into the vehicles. Progressive tightening of safety standards taking into account unique India requirements, has been addressed by the Road Map with a view to reducing the impact of accidents and thereby improving safety of the vehicle occupants and vulnerable road users.

The roadmap has identified 76 regulations from the list of 109 ECE Regulations for adoption, taking into consideration, the Indian condition and has suggested implementation in three phases. In the first phase the Regulations will be optional, in the second phase they would be applicable to all new models and in the third phase they would cover all models.

The Roadmap as proposed by SIAM would enable the Government to formulate necessary policies to align Indian automotive safety standards with international regulations while ensuring maximum vehicular safety.

The Roadmap was presented to the Government in January 2002.

A Workshop was organized by SIAM on 23 July 2002 to initiate dialogue amongst all stakeholders – the Government, ARAI, VRDE and SIAM with a view to arriving at a consensus on the time frame, regulations to be adopted and the stages in implementation for a meaningful enforcement of the Road Map.

Auto Dipper

Ministry of Road Transport & Highways issued a notification withdrawing the provision for mandatory fitment of auto dipper as per Rule 125 (4) of CMVR, with immediate effect. Industry welcomed this since all its trials had established that the device would more likely endanger safety contrary to purported objective of improving safety during night time driving.

INITIATIVES & EVENTS

ENVIRONMENTAL
IMPERATIVES
AND SAFETY
REQUIREMENTS
ARE TWO
CRITICAL
ISSUES
FACING THE
AUTOMOTIVE
INDUSTRY.
WORLDWIDE.

INITIATIVES & EVENTS

One company has recently submitted as claimed, an improved device to ARAI for evaluation. Preliminary trials have been carried out and now detailed trials are being planned.

Round Table on Common Rail Technology

April 2002

The Round Table focussed on the emerging Fuel Injection Technology for meeting future stringent emission norms for diesel vehicles.

Mr Pascal Dutfoy, Business Planning, Delphi Automotive Systems of France made a detailed presentation on Common Rail Technology status and the role of Delphi in this regard.

Mr Klaus Krieger of Bosch, Germany alongwith Dr Ing Ulrich Dohle, Executive Vice President of Bosch, Germany made a detailed presentation on their perception of the Common Rail Technology and its relevance to the Indian automobile industry.

Round Table on UNECE WP 29

July 2002

A Round Table with participation from the Government, Testing Agencies, National Accreditation Board Limited and Automotive Industry was organized to get a better understanding of the advantages and disadvantages of the 1958 and 1998 agreements. A consensus emerged on constituting a Steering Committee to process issues before India becomes a signatory to one of the agreements. In the interim, participants agreed that India should become an Observer at WP 29 deliberations.

CORPORATE CITIZENSHIP AGENDA

SIAM and SAFE vigorously pursued the corporate citizenship agenda through the year. The thrust was on emission checking systems for in-use vehicles and increasing awareness of road safety issues. There were increasing demands on SIAM-SAFE to advise State Governments in their policy making process for vehicular pollution control and safety.

Computerised PUC Checking Systems

In pursuance of its commitment to reducing pollution from poorly maintained in-use vehicles, Society of Indian Automobile Manufacturers (SIAM) in association with the State Pollution Control Boards & Transport Departments of Andhra Pradesh, Delhi, Karnataka, Maharashtra, Sikkim, Tamil Nadu and West Bengal constituted an informal Committee of senior State Government officials and technical experts from the Auto Industry and Testing Agencies. This Committee met on several occasions and concluded that:

- In the absence of an Inspection & Certification system, the PUC system is the only form of checking the pollution levels of in-use vehicles.
- The current PUC system is fraught with a number of inadequacies, for instance, untrained manpower, non-calibration of equipment, genuineness of readings, etc.

After detailed deliberations, the Committee advocated the computerisation of the PUC centres. The Computerised PUC Centres are modelled on international systems and have been developed by the project team headed by Mr M N Muralikrishna, President, Society for Automotive Fitness & Environment (SAFE- an SIAM initiative) and Technical Adviser, TVS Motor Company.

This system minimises to a large extent, human intervention and deficiencies prevalent in the current system in the process of recording and issuing PUC certificates, thereby establishing credibility and acceptance to the certificate issued.

SIAM has taken the initiative of setting up 12 computerised emission check centres in 7 cities across the country. The concept has now been accepted in all the major cities of the country. Some States have taken significant strides in this direction.

Government of Karnataka said that the Government is determined to make Karnataka the first State in the Country to have 100% computerisation of all the PUC centres in the State. It is a reflection of the credibility of the new system with PUC centre operators, the State Government and vehicle owners that Bangalore already has, in a span of one year, 85 Computerised Centres.

Delhi has 10 and more are expected to switch to this new system in the near future as the State Government has issued an order asking all PUC centres to upgrade to the computerised system. The State Government plans to have at least 100 such centres by the end of this year.

As a next step, SIAM will be working with the State Governments in identifying technologies for networking the computerised emission test centres, which would enable the authorities to immediately identify vehicles evading the periodic PUC check.

THERE WERE
INCREASING
DEMANDS ON
SIAM-SAFE TO
ADVISE STATE
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CONTROL AND
SAFETY.

SIAM-SAFE ARE
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ACROSS THE
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WITH OTHER
STAKEHOLDERS
INCLUDING
THE STATE
GOVERNMENTS,
MEDIA, NGOS
AND OTHERS.

Soft Skill Development for Bus Drivers

The number of accidents in the country caused due to high stress and low self esteem are steadily increasing hence there is a need to touch on the psychological aspects which will enable all drivers to view themselves with greater pride and involvement in their personal and professional life.

With a view to facilitating a change, SIAM organised Workshops on Soft Skill Development for drivers. The Workshops have been organized in Bangalore, Chennai, Delhi, Hyderabad and Pune for the drivers of the State Transport Corporation buses and focused on self esteem building, interpersonal skills, managing stress & aggression and involved active participation from the trainees. The Workshops sought to impart soft skill training to drivers in order to bring about attitudinal change and thereby reduce stress and incidence of accidents.

Awareness Programmes

In addition to seminars on an integrated approach to vehicular pollution control, accident prevention & control and other related issues, SIAM and SAFE also organized plant visits for school children. The visits showcased the technological capabilities of the automotive industry, environmental and safety consciousness guiding vehicle production. The importance of regular maintenance from the point of view of pollution control and safety was explained to the students through audio-visual presentations.

SAFE undertook a project in Chennai to reach out to Industries in and around Chennai to advise them to make it compulsory for all their employees who use 2 wheelers to wear helmets. 80 organisations have so far been contacted in this regard.

SIAM-SAFE are committed to spreading this movement across the country and aim to do this in co-operation with other stakeholders including the State Governments, Media, NGOs and others.

Mobile Computerised Pollution Task Forces in Hyderabad

August 2002

The Andhra Pradesh Chief Minister, Mr N. Chandrababu Naidu launched 5 mobile computerised pollution task forces in the city of Hyderabad. SIAM and SAFE were invited by the Government of Andhra Pradesh to participate in the inaugural function.

The mobile computerised pollution task forces will capture the image of the rear number plate of the vehicle through a web camera, process the emission of the vehicle through a computerised pollution testing machine and generate the pollution under control (PUC) certificate, if passed.

The Municipal Administration, Regional Transport Organisation (RTO), Pollution Control Board to prepare progress reports every 15 days and present it to the Chief Minister.

LIST OF MEETINGS

Interactions with Central & State Governments on automobile industry related issues September 2001-August 2002

Interactions with	Issue
Union Finance Minister	Measures to revive auto industry
Union Minister & Minister of State, MoHI&PE	Auto Policy
Member, Planning Commission	Auto industry issues for the 10 th 5 year Plan (2002-2007)
Parliamentary Standing Committee	Auto Policy
Secretary, MoHI&PE	Development Council for Automobiles & Allied Industries
Secretary, & Jt Secy. MoHI&PE	Auto Policy
Revenue Secretary, MoF	Pre-Budget Memorandum
Joint Secretary MoEF	Pre Budget discussion
Revenue Secretary, MoF	Clarification on Transaction Value
Jt.Secretary, MoF	Procedural issues of Central Excise & Customs
Director, MoF	Procedural issues for Export under Bond
Empowered Committee of State Finance Ministers	VAT Implementation
Additional Secretary MoF	Introduction of VAT
Director General, DGFT- MoC	Steel Import conditions
Minister of State, MoC	Steel Import Conditions
Secretary Min of Steel	Steel Import conditions
DG, Anti-dumping Cell, MoC&I	Anti-dumping duty on Steel
Steel Commissioner	Steel import conditions
Secretary, MoC& I and DG, DGFT	AT Kearney Report on Chinese 2 Wheeler & CV Industry
DG, Anti-dumping Cell, MoC&I	AT Kearney Report on Chinese 2 Wheeler & CV Industry
Special Secretary MoEF	SIAM Plans on Alternative Energy
Jt.Secretary, MoF	Fiscal incentives for Electric Vehicles
Chairman, DTC	Alternative Energy Training
Senior Advisor & Director, MNES	Alternative Energy Driven Vehicles
Senior Advisor, MNES	Technology Mission on Electric Vehicles
Member, Planning Commission	Introduction of Bio-Diesel
Secretary MoHI&PE	Fleet Modernisation Programme
Joint Secretary MoHI&PE	Retrofitment of Engines
Joint Secretary MoEF	Clean Air Fund
Member, Planning Commission	Issues for 10 th Five Year Plan
Joint Secretary MoRT&H	CMVR Issues in WTO
Revenue Secretary MoF	Implementation of VAT
Dy Secretary, MoF	Introduction of VAT
Addl Secretary and Jt Secretary MoC	SIAM Concerns on WTO issues
OSD WTO MoC	Tariff Negotiations in WTO
Chief Economist JPC	Steel Demand
Minister of Steel	Fluctuations in Steel Prices
Joint Secretary	Conditions of Import
Joint DGFT, MoC	Conditions of Import
Joint Secretary (DBK), MoF	Issues related to Drawback & DEPB
Member, Customs & Export Promotion	Issues related to drawback

Interactions with Central & State Governments on automobile industry related issues September 2001-August 2002

Advisor (DoT) – Ministry of Science & Technology
Secretary & Jt. Secretary, MoRT&H
Jt. Secretary, MoRT&H
Expert Committee on Auto Fuel Policy

Import of Capital Equipment by ARAI
Roadmap for Vehicle Safety Standards
UN ECE WP -29
Technical presentations to Sub-Groups on Fuel Efficiency, Inspection & Certification, Two Wheelers, Commercial Vehicles and Retrofitment

State Governments

Transport Commissioner, Govt. of AP
Transport Commissioner – AP
Transport Commissioner, Govt. of Andhra Pradesh
Member Secretary, AP Pollution Control Board
Minister for Transport & Power, Govt of NCT Delhi
Transport Commissioner, Govt. of NCT Delhi
Transport Commissioner – Delhi
Principal Secretary (Finance) – Delhi
Principal Secretary, NCT, Delhi
Chairman & MD, Delhi Transport Corp.
Transport Minister, Govt. Karnataka
Home Minister, Govt. of Karnataka
Addl. Chief Secy (Home & Transport), Govt. of Karnataka
Secretary, Transport, Govt. of Karnataka
Vice Chairman & MD, KSRTC
Transport Commissioner, Govt. of Karnataka
Commissioner of Police, Karnataka
Addl. Commissioner of Police (Traffic), Karnataka
MD, Bangalore Metropolitan Transport Corporation
Transport Commissioner, Karnataka
Transport Commissioner, Maharashtra
Addl. Dir. General (Intelligence), Maharashtra
Principal Secretary, Transport, Maharashtra
Chief Secretary, Govt. of Maharashtra
Secretary, Transport, Govt. of Meghalaya
Commissioner for Transport, Govt. of Meghalaya
Chairman, MPCB
Chief Minister, Sikkim
Transport Minister, Govt. of Sikkim
Transport Secretary, Govt. of Sikkim
Addl. Director, Tamil Nadu Pollution Control Board
Transport Commissioner, Govt. of TN
Jt. Transport Commissioner, Govt. of TN
Member Secretary, West Bengal Pollution Control Board
Secretary Environment & CEO, WBPCB
Principal Secretary, Transport, Govt. of West Bengal
Director PVD & Jt. Secretary, Transport Govt. of West Bengal

Centralised database and self-registration of vehicles
Electric Vehicle Demo Project
Computerisation of PUC & Softskill Training Programme
Action Plan for Pollution reduction in HUDA Area
Computerised PUC CNG safety issues
Initiatives on Computerisation of PUC
CNG Training
Introduction of VAT
Facilitation of e-transaction with Govt. Depts.
Softskill Training Programme for Drivers
Road Safety
Road Safety
Road Safety & Emissions
Road Safety & Emissions
Road Safety & Emissions
Road Safety & Emissions
Road Safety Initiatives
Road Safety Initiatives
Development of Safety Bus
Centralised database and self-registration of vehicles
Centralised database and self-registration of vehicles
Road Safety
Action Plan for I&C in Maharashtra
Computerised PUC
Implementation of effective PUC System
Implementation of effective PUC System
Implementation of effective PUC System
Computerised PUC
Computerised PUC
Emission Management of In-Use Vehicles
Computerised PUC
Road Safety & Emissions
PUC
Preparation of Action Plan for introduction of LPG
Preparation of Action Plan for introduction of LPG
Preparation of Action Plan for introduction of LPG
Computerised PUC Checking System

INTERNATIONAL VISITS & DELEGATIONS

SIAM Delegation visits Egypt, November 2001

An SIAM delegation visited Egypt and made a detailed presentation to the Egyptian Environmental Affairs Agency on an Integrated Approach to Sustainable Pollution Control from Automobiles. The presentation also focused on the significant technology strides taken by the Indian Automobile Industry in reducing emission from new vehicles including two and three wheelers. There is considerable concern in Egypt to control pollution from two wheelers and the authorities are of the view that they can draw valuable lessons from the Indian experience.

The visit of the SIAM delegation was followed by the visit of Dr Samir El-Mowafy, Head, Cairo Air Quality Improvement Project and Mr Ahmed Gamal Abdel Reheim, Head, Environment Quality Sector of the Egyptian Environmental Affairs Agency in December 2001. SIAM facilitated their visit and meetings with key Government officials.

Regional Workshop on Strengthening Vehicle Inspection and Maintenance at Chongqing, People's Republic of China

November 2001

SIAM participated in the Regional Workshop organized by the Asian Development Bank (ADB). The Workshop discussed vehicle emission standards, inspection and maintenance, administrative and institutional issues in inspection & maintenance, stakeholder analysis and problem analysis and technical developments in inspection and maintenance.

SIAM Delegation to Test Centres in Europe

December 2001

The facilities at some of the best international test centres were studied and as a part of the benchmarking exercise for the Roadmap on Upgradation of Test facilities. SIAM mounted a delegation comprising Industry and ARAI representatives, to some of the renowned test centres in Europe including MIRA, UK and IDIADA, Spain.

SIAM delegation to Bangladesh

December 2001

An SIAM team visited Bangladesh on the invitation of the Bangladesh Automobile Assemblers and Manufacturers Association (BAAMA) to discuss with Bangladesh authorities the issue of fitment of particulate filter in all diesel vehicles and catalytic converter for petrol vehicles. This requirement was affecting Indian exports to Bangladesh. The issue of concern was the non-availability of low sulphur diesel.

The Authorities in Bangladesh have now allowed import of vehicles from India provided the dealers fitted the particulate filters at the time of registration.

FAMI Research Committee Meeting in Singapore

December 2001

SIAM which is a Founder Member of the Federation of Asian Motorcycle Industries (FAMI) participated in the Research Committee Meeting which discussed the issue of Intellectual Property Rights (IPRs) in the context of protection of consumers, protection of domestic industry, tax revenue, improvement of national industry competitiveness and national prestige.

GITE Regional Workshop on Transport Sector Maintenance Policy in Asia – Improving Safety, Energy Efficiency and Air Quality in Bangkok

December 2001

The Global Initiative on Transport Emissions (GITE) has been created by the World Bank and the United Nations. GITE aims at assisting developing countries in their efforts to reduce emissions from the transport sector, and this workshop was part of its overall activities.

SIAM made a Presentation on Inspection and Maintenance for In-Use Vehicles in India at the Regional Workshop which was sponsored by the UN department of Economic and Social Affairs, UN Economic & Social Commission for Asia & Pacific in association with the Japan Automobile Research Institute (JARI).

Regional Workshop: Transport Planning, Demand Management and Air Quality, Manila, Philippines

February 2002

SIAM participated in the Regional Workshop on Transport Planning, Demand Management and Air Quality, organized by the Asian Development Bank, in Manila.

Presentations were made by regional participants, resource persons from USA, Europe and Australia, followed by discussions in the plenary sessions and the working groups.

The presentations focused on:

1. Transport and Air Pollution
2. Land use/ Transport Planning
3. Travel Demand Management, Transport Systems Management and Regulation, Traffic Management
4. Public Transport
5. Non Motorised Vehicles (NMVs) and Pedestrians
6. Resource Mobilization, Taxation, Pricing and Subsidy
7. Institutional, Legal and Implementation Issues and
8. Promotion/Awareness/ Education

Global Alternative Fuels Forum 2002 in Stuttgart, Germany

February 2002

SIAM participated in the two day conference on alternative fuels. Presentations highlighted the importance of fuel cells and the progress made in different countries. The participants also visited the Ballard Power Systems (Xcellsis) fuel cells facility in Stuttgart.

FAMI Meetings in Bangkok, Thailand

March 2002

SIAM also actively participated in the meetings of the Technical, Planning and Management Committees of FAMI held in Bangkok.

Delegation from China

May 2002

Meeting with the Delegation from the Ministry of Foreign Trade and Economic Co-operation (MOFTEC), People's Republic of China to explore the possibilities of increasing trade in automotive products between India and China.

Delegation from IDIADA, Spain

May 2002

Officials from the IDIADA, the world renowned Test Centre in Spain had a meeting with SIAM to understand the Roadmap prepared by SIAM for the Upgradation of Test Facilities and to explore the possibility of participating in the exercise.

Delegation from MIRA, UK

June 2002

Officials from the Motor Industry Research Association (MIRA), UK visited SIAM to discuss the Roadmap prepared by SIAM for the upgradation of Test facilities. MIRA, UK was one of the test facilities visited by the SIAM delegation as a part of the benchmarking exercise.

Study Tour for development of the 3-Wheeler Sector in Nigeria

(Lagos, Port Harcourt & Abuja)

June 2002

Based on a request from the Government of Nigeria to build up local capacity to deliver affordable transportation scheme for its people, UNIDO developed a project for strengthening the technological capabilities of the manufacturing sector in Nigeria, particularly in the 3 wheeler sector. India being a leading manufacture of 2-3 wheelers in the world, UNIDO sponsored a delegation from India comprising representatives of Government of India, private sector and Industry Association including SIAM to participate in a Study Tour and Symposium of all stakeholders at Lagos from 2 June -12 June 2002 to discuss various issues and to finalise a roadmap.

During the Study Tour the Indian delegation met officials of 3-Wheeler manufacturing organisations, Industry Association, Federal and State Government officials. Following the meeting with various stakeholders a symposium was organised to identify the next course of action for the development of the 3-Wheeler industry.

Meeting of Brazilian Delegation with SIAM Members

August 2002

A high level Brazilian delegation led by Mr Reginaldo Braga Arcuri, Secretary, Production Dept., Ministry of Development, Industry and Trade met SIAM members in New Delhi. Both sides exchanged information on the status of the automotive industry in their respective countries and also shared experience with regard to the use of ethanol-gasoline blend.

It was agreed that automobile industries of both the countries should have more frequent interaction on trade and technical issues.

AUTO EXPO 2002

15 January – 22 January 2002

Asia's largest automotive exhibition in terms of area, the fair attracted 1.5 million visitors during the first 6 days. The participating companies received 1.9 lakh business, 3,500 exports inquiries and 10 joint ventures or technical alliances.

A special focus of Auto Expo 2002 was Road Safety. SIAM showcased the 4 critical components in the Safety Management Chain-Vehicular Technology, Education & Awareness, Road Engineering and Enforcement through a Safety Pavilion.

As special feature of the Safety Pavilion was the Asli-Naqli show where component manufacturers displayed genuine and spurious spares, drawing the attention of visitors to the hazards of using spurious spares.

Seminar on Road Safety, 16 January, 2002 at Auto Expo 2002, Pragati Maidan, New Delhi

A seminar on Road Safety was organised in New Delhi at the time of Auto Expo 2002. The Seminar was inaugurated by Mr Ashoke Joshi, Secretary, Ministry of Road Transport & Highways on 16 January 2002.

SIAM in consultation with its members and institutional experts had drawn up a Safety Road Map for vehicles to provide a mechanism for bridging the gap between Indian and International Regulations. This blue print was presented to MoRT&H during the seminar on Road Safety.

Seminar and Panel Discussion on Alternative Energy Driven Vehicles, 18 January 2002

As a follow up to the International Conference and Exposition on Sustainable Development of Alternative Energy Driven Vehicles Programme organised on 17-18 April, 2001, a seminar and panel discussion on Alternative Energy Driven Vehicles was organised by SIAM.

The focus of this seminar was on Electric/ Hybrid Vehicles and training needs for Alternative Energy Vehicles. On the occasion an MoU was also signed between the National Alternative Fuels Training Consortium of the US, DTC and SIAM to facilitate development of training modules and imparting of training on use alternative fuels vehicles & system.

Seminar on High Capacity Bus Systems, 21 January 2002

SIAM in association with DTC, IFDC and IIT-Delhi, organised a Seminar on High Capacity Bus Systems. It emerged from the deliberations that while the High Capacity Bus Systems (HCBS) will be cheaper than the Metro Rail, it would be just as efficient in decongesting the roads and providing comfortable transportation to the people. This was substantiated by presentations on some international experiences with HCBS.

A SPECIAL
FOCUS OF
AUTO EXPO
2002 WAS
ROAD
SAFETY.

IMPORTANT EVENTS

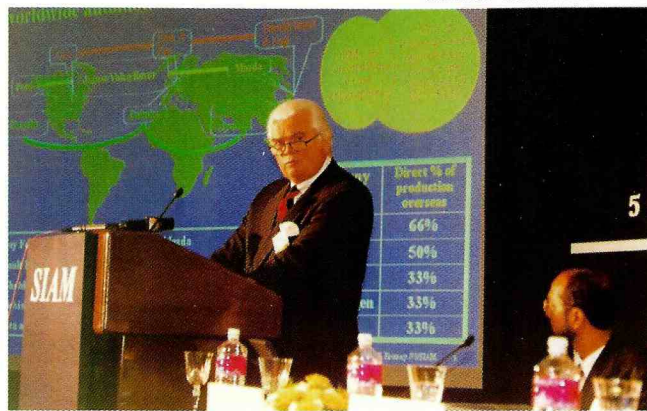
Annual Convention 2001



(L) Mr Manohar Joshi, Hon'ble Minister for Heavy Industries and Public Enterprises, Chief Guest at the Inaugural Session. On the dias (L-R) Mr R Seshasayee, Vice President, SIAM, Mr Ravindra Gupta, Secy. MoHI & PE, Mr Venu Srinivasan, President, SIAM and Mr Rajat Nandi, Director General, SIAM.

(R) Mr Manfred Tuerks addressing the gathering at the theme session.

Annual Convention 2001



Annual Convention 2001



(L) Mr Zhang Jialing providing insights into the Chinese Motorcycle Industry during the session on 'Chinese Perspective.'

(R) Mr Sun Jian presenting his views on 'Perspective on China's Automotive Industry Post-WTO Entry.'

Annual Convention 2001



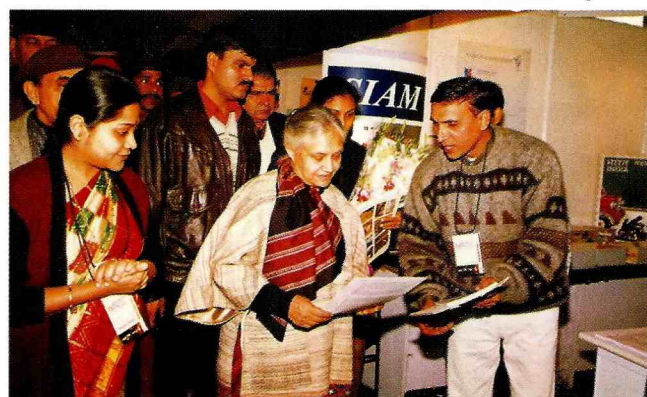
Annual Convention 2001



(L) Mr Sam Coulson presenting his paper on international regulations - 'An Industry Perspective on Regulatory Harmonisation'.

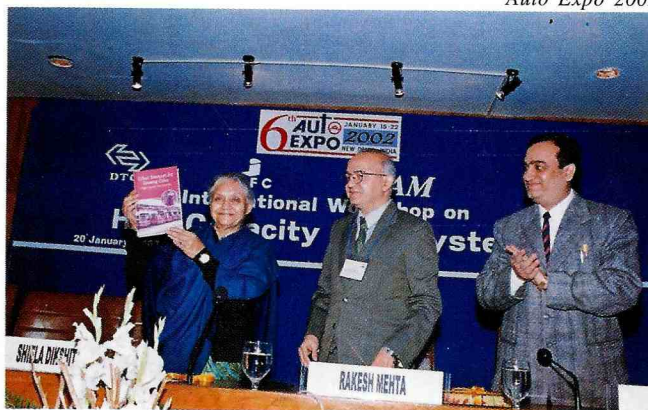
(R) Mrs Shiela Dikshit, Chief Minister of Delhi at the Safety Pavilion during Auto Expo 2002.

Auto Expo 2002



IMPORTANT EVENTS

Auto Expo 2002



(L) Mrs Sheila Dikshit, Chief Minister of Delhi releasing the book titled "Urban Transport for Growing Cities" at the International Workshop on High Capacity Bus Systems.

(R) A photo of the Inaugural Session. On the dias from (L-R) Mr R Seshasayee, President, SIAM, Mr Enrique Penelosa, Former Mayor of Bogota, Mrs Shiela Dikshit, Chief Minister of Delhi, Mr Rakesh Mehta, Chairman, DTC, Mr Ajay Maken, Minister for Transport & Power and Mr Nasser Munjee, Managing Director, IDFC

Auto Expo 2002



Auto Expo 2002



(L) Prof Henry Frisz, University of New York, US and Mr Rakesh Mehta, DTC exchanging the MoU documents. Mr Rajat Nandi, SIAM and Ms Marcy Roads, DoE, USA look on.

(R) Inaugural Session under way at the Seminar & Panel Discussion on Alternative Energy Driven Vehicles. On the dias (L to R) Mr Ravindra Gupta, Secretary, MoHI & PE, Mr R Seshasayee, President, SIAM, Mrs Shiela Diskhit, Chief Minister of Delhi, Mr M Kanappan, Minister of State (Independent charge), MNES and Mr Jagdish Khattar, Vice President, SIAM

Auto Expo 2002



Auto Expo 2002



(L) Mr R Seshasayee, President SIAM giving the Welcome Address at inaugural of the Safety Pavilion at Auto Expo 2002. on the dias (L-R) Mr K Kejriwal, President, ACMA, Mr Subodh Bhargava, Chairman, Trade Fairs, Chief Guest, Maj General B C Khanduri, Minister of State (Independent Charge), MoR&TH, Govt. of India and Mr Ashoke Joshi, Secretary, MoR&TH.

(R) Maj Gen B C Khanduri, Minister of State (Independent Charge), MoR&TH, Government of India, visiting the Safety Pavilion at the Auto Expo Grounds.

Auto Expo 2002



IMPORTANT EVENTS

Auto Expo 2002



(L) School students visiting the Safety Pavilion.

Auto Expo 2002



(R) Mr Ashoke Joshi, Secretary, MoRT&H addressing the Inaugural Session of the Road Safety Seminar.

International Visits



(L) Members of the Brazilian Delegation at the Meeting with SIAM Members.

International Visits



(R) SIAM delegation with representatives of AVI, Belgium during the visit to test centres of Europe.

International Visits



(L) SIAM delegation with Mr B Bhanot, Director, ARAI meeting officials from British High Commission in India, Indian High Commission in UK and officials from MIRA, UK.

International Visits



(R) Mr Ravi Kharul, member of the SIAM delegation presenting a memento to representatives of Leyland Technical Centre (UK).

IMPORTANT EVENTS

International visits



(L) Members of the Indian delegation with participants from Nigeria during the Study Tour of Nigeria.



(R) Indian three-wheeler on display for the delegates at the Symposium in Nigeria.

Corporate Citizenship

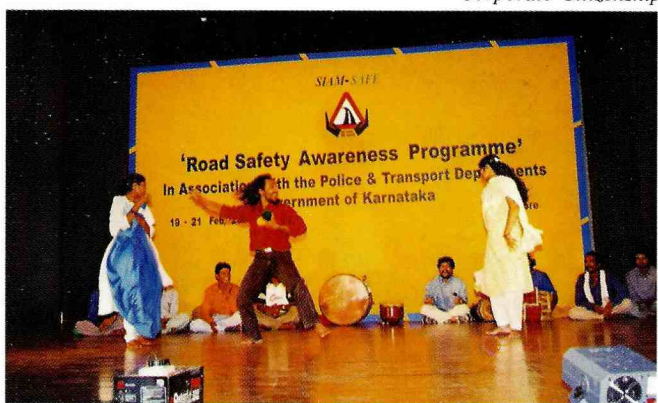


Road Safety Awareness Programme:

(L) Chief Guest Mr Mallikarjun Kharge, Home Minister, Government of Karnataka; also on the dias (from L to R) Mr M N Muralikrishna, President, SAFE, Mr M B Prakash, Addl Chief Secretary & Principal Secretary, Home & Transport, Mr C R Sagir Ahmed, Transport Minister, Mr P Kotilinganagoud, Secretary, Transport, Mr Rajat Nandi, DG, SIAM, Mr M F Pasha, DIG & Commissioner Traffic & Road Safety.

(R) Mr H T Sangliana, Commissioner of Police, Bangalore with school students at Bangalore.

Corporate Citizenship



(L) A skit on Road Safety being presented by a Chennai based group.

(R) Mr M N Muralikrishna, President, SAFE addressing the gathering. On the dias (L -R) Mr R Ravindra, Chief Secretary, Govt. of Karnataka, Mr C R Sagir Ahmed, Minister of Transport, Government of Karnataka, Mr Upendra Tripathi, Chairman, Karnataka State Pollution Control Board, Mr T Thimmegowda, Transport Commissioner, Govt. of Karnataka and Mr K K Gandhi, Sr. Adviser, SIAM

Corporate Citizenship



IMPORTANT EVENTS

Corporate Citizenship



(L) The Inaugural Session underway at the Soft Skill Development Workshop for Drivers of the Pune Metropolitan Transport Corporation.

Corporate Citizenship



(R) Chairman, DTC addressing Delhi Transport Corporation Drivers at the Inaugural of the Workshop on Soft Skill Development.

Corporate Citizenship



(L) Question & Answer session underway at the Workshop on Soft Skill Development.

Corporate Citizenship



(R) Participants at the Soft Skill Development Programme for drivers in Hyderabad.

Corporate Citizenship



(L) Children listen attentively to a Presentation on automobile technology, emission control and vehicular safety during the plant visit.

Corporate Citizenship



(R) School children watching some of the cars on display.

IMPORTANT EVENTS

Corporate Citizenship



(L) Chief Minister of Sikkim, Mr Pawan Chamling, with his Cabinet colleagues at the Inaugural of the Computerised PUC centres.

Economic



(R) Mr K K Swamy, Chairman, SIAM Committee on VAT Implementation, Mr R Seshasayee, President, SIAM & Mr Rajat Nandi, Director General, SIAM at the Media Briefing.

Economic



Meeting with Mr Suresh Prabhu, Union Minister for Power, Heavy Industries and Public Enterprises:

(L) Mr Suresh Prabhu addressing the meeting. Others on the dias (L- R) Mr L Ganesh, Immediate Past President, ACMA, Mr K Kejriwal, President, ACMA, Dr Vallabhbhai Kathiria, Minister of State for Heavy Industries & Public Enterprises, Mr R Seshasayee, President, SIAM, Mr B N Jha, Secretary, MoHI & PE and Mr Jagdish Khattar, Vice President, SIAM.

(R) ACMA and SIAM Members at the Meeting

Economic



Technical



(L) Mr Ashoke Joshi, Secy. MoRTH, Chief Guest at the Workshop addressing the participants. Others on dias (L-R) Maj. General U S Abrol, Director, VRDE, Mr B Bhanot, Director, ARAI, Mr Jagdish Khattar, Vice President, SIAM, Mr A Ramasubramanian, Chairman, SIAM, CMVR, Safety & Regulations Committee, Mr Alok Rawat, Jt. Secy, MoRTH and Mr K K Gandhi, Sr. Adviser, SIAM.

(R) Participants at the Roundtable discussing the 1958 and 1998 Agreements of UNECE WP-29.

Technical



OVERVIEW OF PERFORMANCE

OVERVIEW 2001-2002 & April-July'02

In the financial year 2001-2002, the Automobile Industry recorded a growth of 13% over FY 2000-2001. However, it was a year of stagnant sales, except for some distinct growth in individual segments, particularly, two wheelers. Passenger car sales saw practically no growth at 5,70,473 units sold in 2001-2002 as against 5,67,728 in 2000-2001, whereas Utility Vehicles registered a decline of 3% during the same period.

Commercial vehicles sales again showed a 3% decline overall, which was less than the decline of 15% in the previous year. Within the commercial vehicle segment, while there was a fall of 12% in the light commercial vehicle segment, the demand for medium and heavy commercial vehicle increased by 2%.

The two wheeler segment grew by 16% in 2001-2002 with 42,14,850 units sold against 36,34,378 in 2000-2001. Now, motorcycles account for 69% of the sales volume of all two wheelers compared to about 27% in 1993-1994. Improved business confidence, better agriculture production and infrastructure industry performance reflect in the positive signs of growth in the first quarter of 2002-2003. Expectations of a good performance by the manufacturing industry have increased.

As regards the performance of the Industry, during April to July 2002, the demand expansion in practically all vehicle segments indicates an unmistakable recovery. During April-July 2002, the industry recorded a growth of over 22%.

Segment-wise performance during April-July 2002

Sales of Passenger Vehicles comprising of Passenger Cars, Utility Vehicles and Multipurpose Vehicles registered a decline during the period April – July 2002 and thus continues to be an area of concern. However, the performance of Passenger Vehicles segment in the month of July 2002 indicates positive growth of 5.4% over July 2001.

The Commercial Vehicle segment has performed well on both domestic and export front. Domestic sales have grown nearly 36% in April-July this year when compared to the corresponding period last fiscal.

Acceleration in the infrastructural activity including the Golden Quadrilateral, fleet rationalisation and improved availability of easy finance have contributed to a robust 41% growth in the Goods M&HCV sales.

Light Commercial Vehicles (LCVs) segment has performed well with a record growth of 47%, with the passenger and goods LCVs registering growth of 55% and 45% respectively; in the period April- July 2002.

Two-Wheelers registered a growth of 27% during April-July 2002. Within the Two-Wheeler segment, the motorcycle sub-segment continues to be the growth driver, recording a growth of

OVERVIEW OF PERFORMANCE

47% during April-July 2002. Three-wheelers have also performed well, with a growth of over 16% in April - July 2002. The growth in this segment has been fuelled by goods carriers with a 56% increase in sales during April – July 2002.

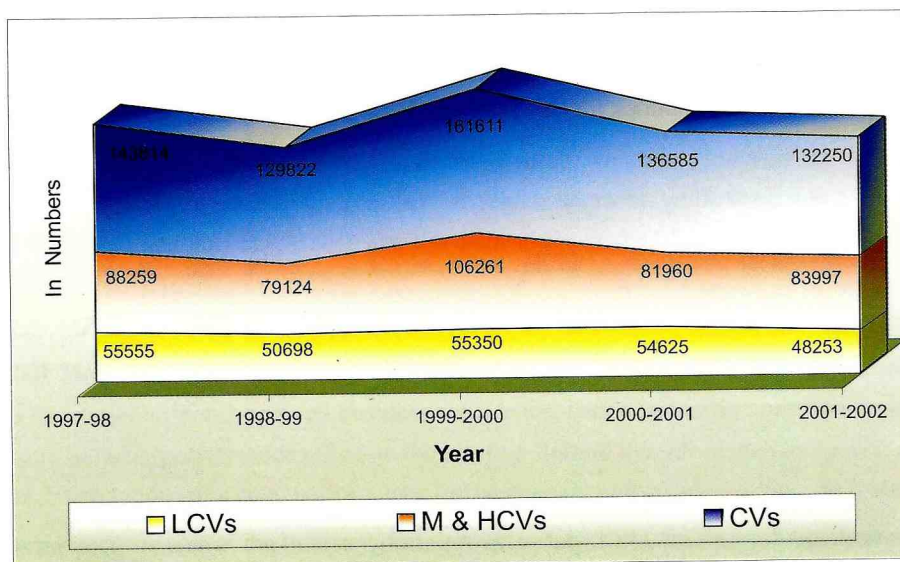
Exports have been in the positive territory with Passenger Vehicles, Commercial Vehicles, Three-Wheelers and Two-Wheelers registering positive growth rates ranging between 16% and 173%. In overall terms, exports grew by a healthy 60% in April-July 2002 compared to the same period last year.

Automobile industry outlook for the remaining period of 2002-03 is positive.

OVERVIEW OF PERFORMANCE

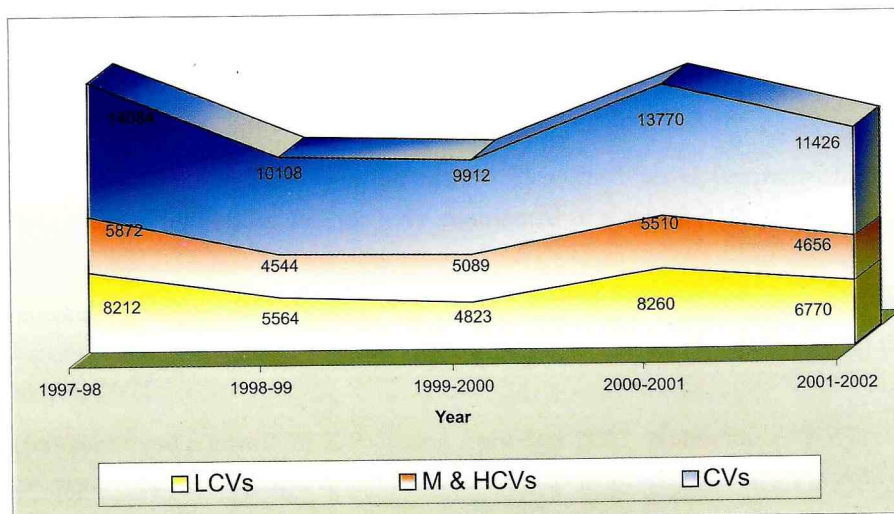
Automobile Domestic Sales Trend for Commercial Vehicles

CATEGORY	1997-98	1998-99	1999-2000	2000-2001	2001-2002	2002-2003 (Apr-Jul)
M & HCVs	88259	79124	106261	81960	83997	30525
LCVs	55555	50698	55350	54625	48253	21814
Total CVs	143814	129822	161611	136585	132250	52339

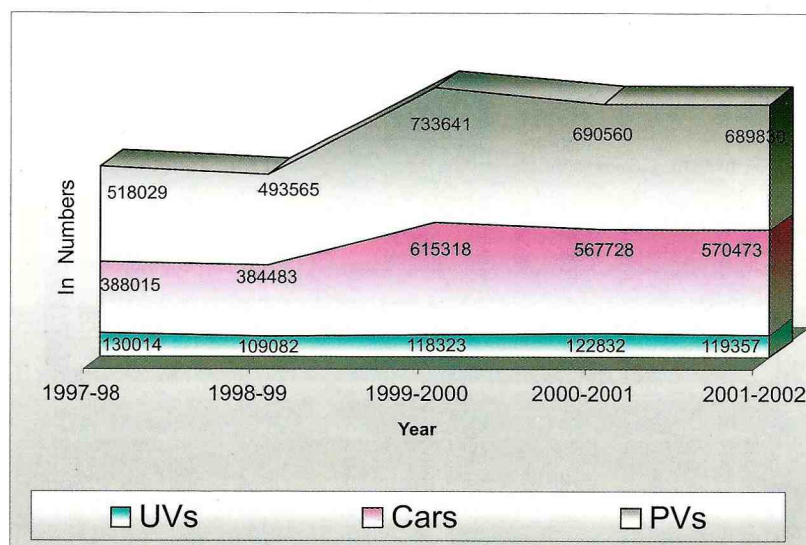


CATEGORY	1997-98	1998-99	1999-2000	2000-2001	2001-2002	2002-2003 (Apr-Jul)
M & HCVs	5872	4544	5089	5510	4656	1325
LCVs	8212	5564	4823	8260	6770	1754
Total CVs	14084	10108	9912	13770	11426	3079

Automobile Exports Trend for Commercial Vehicles

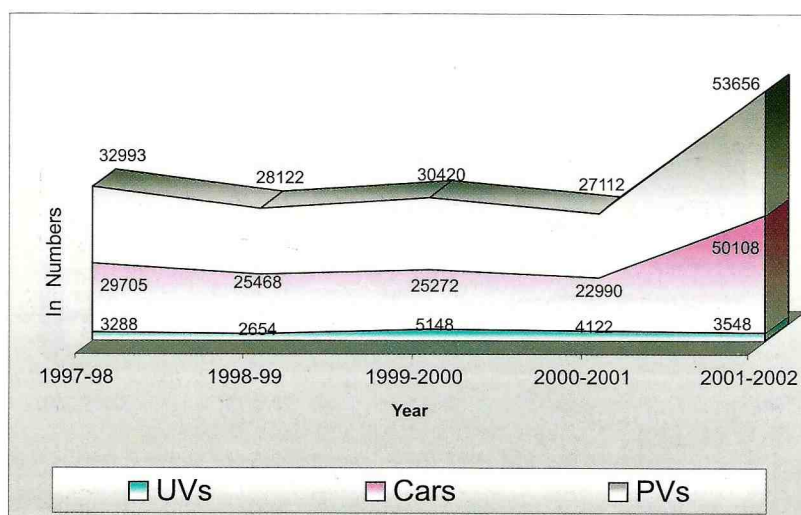


CATEGORY	1997-98	1998-99	1999-2000	2000-2001	2001-2002	2002-2003 (Apr-Jul)
Cars	388015	384483	615318	567728	570473	174933
UVs	130014	109082	118323	122832	119357	32672
Total PVs	518029	493565	733641	690560	689830	207605



Automobile Domestic Sales Trend for Passenger Vehicles

CATEGORY	1997-98	1998-99	1999-2000	2000-2001	2001-2002	2002-2003 (Apr-Jul)
Cars	29705	25468	25272	22990	50108	19548
UVs	3288	2654	5148	4122	3548	417
Total PVs	32993	28122	30420	27112	53656	19965

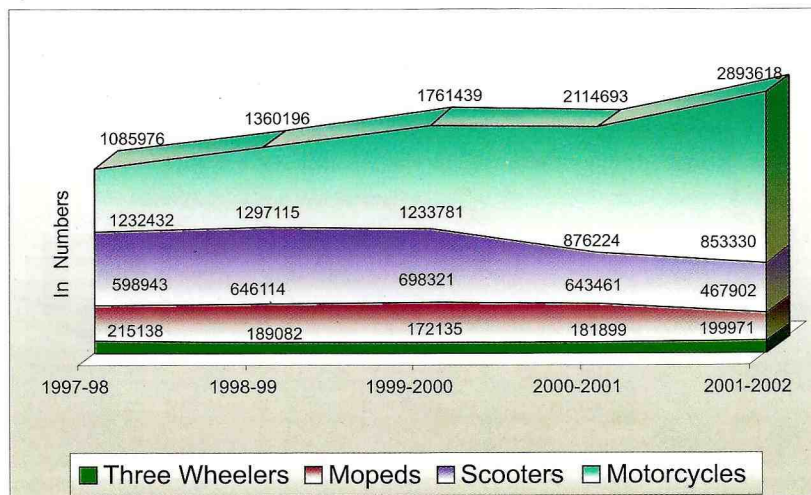


Automobile Exports Trend for Passenger Vehicles

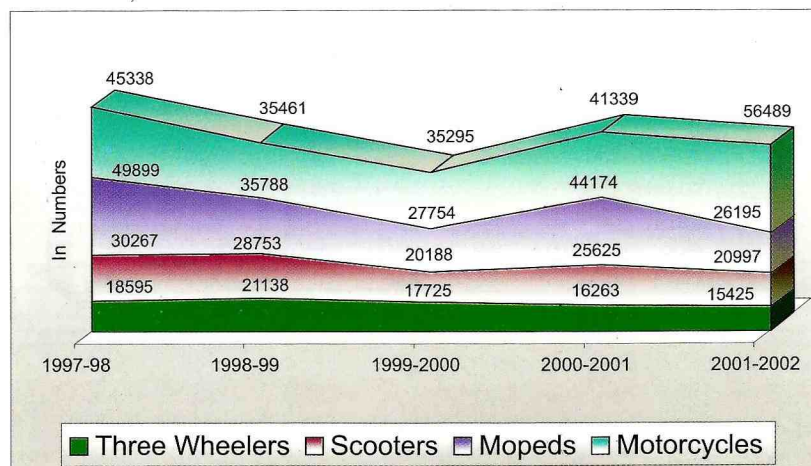
OVERVIEW OF PERFORMANCE

Automobile Domestic Sales Trend for Two & Three Wheelers

CATEGORY	1997-98	1998-99	1999-2000	2000-2001	2001-2002	2002-2003 (Apr-Jul)
Scooters	1232432	1297115	1233781	876224	853330	294259
Motorcycles	1085976	1360196	1761439	2114693	2893618	1183271
Mopeds	598943	646114	698321	643461	467902	115510
Three Wheelers	215138	189082	172135	181899	199971	69921



CATEGORY	1997-98	1998-99	1999-2000	2000-2001	2001-2002	2002-2003 (Apr-Jul)
Scooters	30267	28753	20188	25625	20997	8199
Motorcycles	45338	35461	35295	41339	56489	35214
Mopeds	49899	35788	27754	44174	26195	6779
Three Wheelers	18595	21138	17725	16263	15425	10549



SIAM OFFICE BEARERS

EXECUTIVE COMMITTEE 2001-2002

Company	Member	Alternate
Ashok Leyland Ltd	Mr R Seshasayee (President)	
Maruti Udyog Ltd	Mr Jagdish Khattar (Vice President)	Dr K Kumar
Eicher Motors Ltd	Mr S Sandilya (Treasurer)	Mr Rakesh Kalra
Bajaj Auto Ltd	Mr Madhur Bajaj	
DaimlerChrysler India Pvt Ltd	Mr Hans-Michael Huber	Mr S M Kadlaskar
Fiat India Automobiles Pvt Ltd	Mr Maurizio Paolo Bianchi	Mr Ramesh L Adige
Ford India Ltd	Mr David E Friedman	Mr Vinay Piparsania
General Motors India Pvt Ltd	Mr Aditya Vij	Mr P Balendran
Hero Honda Motors Ltd	Mr Pawan Munjal	
Hyundai Motor India Ltd	Mr J I Kim	Mr B V R Subbu
Kinetic Engineering Ltd	Mr Arun Firodia	Mr M K Khera
LML Limited	Mr Deepak Kumar Singhania	Mr R D Jayal
Mahindra & Mahindra Ltd	Mr Anand G Mahindra	Mr Alan Durante
Piaggio Vehicles Pvt Ltd	Mr Ravi Chopra	
Swaraj Mazda Ltd	Mr Yash Mahajan	Mr B S Devgun
Tata Cummins	Mr Ravi Venkatesan	Mr Yul J Tarr
Tata Engineering	Mr Ravi Kant	Mr V Krishnan
Toyota Kirloskar Motor Ltd	Mr Sachio Yamazaki	Mr K K Swamy
TVS Motor Company	Mr Venu Srinivasan	Mr C P Raman
Chairman, Emissions Committee	Mr R R Akarte	
Chairman, CMVR Safety & Regulations Committee	Mr A Ramasubramanian	
Chairman, Task Force on Alternative Energy Driven Vehicles	Dr Pawan Goenka	
President, Society for Automotive Fitness & Environment (SAFE)	Mr M N Muralikrishna	

OFFICE BEARERS



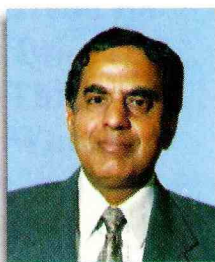
Mr. Rahul Bajaj



Mr. Abhay Firodia



Mr. Arun Firodia



Mr. S Sandilya

OTHER COMMITTEES, SUB COMMITTEES, WORKING GROUPS, TASK FORCES AND CORE GROUPS (2001-2002)

ECONOMIC

Committee on WTO

Chairman - Mr Rahul Bajaj, Chairman & Managing Director, Bajaj Auto Ltd

The Committee under the Chairmanship of Mr Rahul Bajaj deliberated on the implications of the WTO Doha Declarations for the automobile industry, especially with regard to Trade & Environment, Trade & Investment, Competition Policy, Government Procurement and Trade Facilitation. Representations on the same were made to the concerned Government Departments and other fora.

Task Force on Classification of Vehicles

Chairman - Mr Abhay Firodia, Chairman & Managing Director, Bajaj Tempo

The Task Force under the Chairmanship of Mr Abhay Firodia prepared a new classification of vehicles in line with international practices. The new format has been incorporated in the SIAM Statistical Reports which are being used by the Media, Auto Analysts Members and others.

Task Force on HRD

Chairman - Mr Arun Firodia, Chairman, Kinetic Engg. & Kinetic Motor Company Ltd

The Committee under the Chairmanship of Mr Arun Firodia focused on employment generation in Automobile Services and Transportation Activities in the context of flexible manufacturing processes. The other thrust areas of the Task Force are Productivity and Training.

Committee on Auto-Oil Programme

Chairman - Mr S Sandilya, Group Chairman & CEO, Eicher Group

The Committee under the Chairmanship of Mr S Sandilya deliberated on the impact of the dismantling of APM on the automobile industry. A study carried out by ICRA for the Committee identified the salient features of the post APM scenario for a seven year time frame.

Raw Materials & Components Committee

Chairman - Mr Ravi Kant, Executive Director (CVBU), Tata Engg.

The Committee under the Chairmanship of Mr Ravi Kant was in regular dialogue with component manufacturers to identify issues of concerns. As far as raw materials were concerned, members found that the majority of the problems were related to Steel with regard to quality, pricing and regulations. Accordingly, the Committee made representations to the National Steel Consumers Council and the Ministry of Steel. A Study on Competitiveness and Benchmarking has also been undertaken by the Committee.



Mr. Ravi Kant

Task Force on Telematics (Intelligent Transport Systems)

Chairman - Mr Aditya Vij, President & Managing Director, General Motors India Ltd

The Task Force under the Chairmanship of Mr Aditya Vij ascertained the scope for use of Telematics in the Indian context. Telematics is an emerging technology which promises value generation through the use of electronic vehicle control and monitoring systems with location tracking, the internet and wireless communications.



Mr. Aditya Vij

Committee on VAT Implementation

Chairman - Mr K K Swamy, Dy. Managing Director, Toyota Kirloskar Motor Ltd

The Committee under the Chairmanship of Mr K K Swamy discussed the implications for the automobile industry if the VAT system were to be implemented in the format proposed by the Government. The Committee made a series of representations to the VAT Empowered Committee of State Finance Ministers, Central Government and various State Governments on the issues like rates and classification of goods, inter-state trade (CST, Stock Transfer) and existing incentives which need to be addressed before VAT is implemented.



Mr. K K Swamy

Core Group on IT Initiatives

Chairman - Mr Rajesh Uppal, General Manager, Maruti Udyog Ltd

The Core Group under the Chairmanship of Mr Rajesh Uppal initiated dialogue with several State Transport Authorities on a computerized model for registration of vehicles in the States with the final objective of networking vehicle registration data throughout the country.



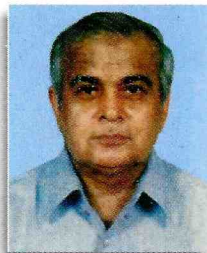
Mr. Rajesh Uppal



Mr. R R Akarte



Mr. A Ramasubramanian



Dr. K Kumar



Dr. Pawan Goenka



Mr. M N Muralikrishna

TECHNICAL

Emissions Committee

Chairman - Mr R R Akarte, General Manager (Vehicle Testing), Tata Engg.

Emissions Committee under the Chairmanship of Mr R R Akarte deliberated on the emissions roadmap proposed by the Expert Committee on Auto Fuel Policy and forwarded technical inputs to the relevant Sub-Groups of the Committee. SIAM's submissions were acknowledged. In addition, the Emissions Committee also provided inputs for a Vehicle Fleet Renewal programme.

CMVR, Safety and Regulations Committee

Chairman - Mr A Ramasubramanian, Director, Tech. & Chief of Prod Dev. Eicher Motors Ltd

The Sub-Committee under the Chairmanship of Mr A Ramasubramanian finalized the Roadmap for Vehicle Safety Standards. The Roadmap has identified 76 regulations from the list of 109 ECE Regulations for adoption, taking into consideration, the Indian condition and has suggested implementation in three phases. The Roadmap is now being discussed with MoRT&H and Testing Agencies.

Task Force on Upgradation of Test Facilities

Chairman - Dr K Kumar, Adviser, Maruti Udyog Ltd

The Task Force on Upgradation of Testing Facilities under the Chairmanship of Dr K Kumar, Advisor, Maruti Udyog Ltd looked into the details of facilities required to cater to the testing and certification needs of the automobile industry upto 2015. After detailed deliberations, the Report on the Upgradation of Test Facilities was prepared and presented to the Government.

Task Force on Alternative Energy Driven Vehicles

Chairman - Dr Pawan Goenka, Executive Vice President, Mahindra & Mahindra Ltd

The Task Force under the Chairmanship of Dr Pawan Goenka deliberated on ways to promote alternative energy vehicles and has identified demonstration projects with Electric and LPG vehicles in select cities. An MoU was also signed with DTC and the US National Alternative Fuels Training Consortium to facilitate development of training module and imparting of training on Alternative Fuel vehicles & systems in Indian cities.

Society for Automotive Fitness & Environment (SAFE)

President - Mr M N Muralikrishna, Technical Adviser, TVS Motor Company

SAFE under the Presidentship of Mr M N Muralikrishna vigorously pursued the corporate citizenship agenda focusing on in-use vehicle emission control, road safety, soft skill development of bus drivers and students' outreach programmes. State Governments have been active partners in several SAFE programmes.

Two and Three Wheeler Sub-Committee

Chairman - Mr N V Iyer, General Manager (Engg. Support) Bajaj Auto Ltd

The Two and Three Wheeler Sub-Committee under the Chairmanship of Mr N V Iyer met regularly to consolidate industry viewpoint on future emission norms for 2005 and beyond, use of alternative fuels, in-use vehicle norms and other relevant issues.



Mr. N V Iyer

Commercial Vehicle Sub-Committee

Chairman - Mr R Devarajan, Spl. Director (PD), Ashok Leyland

The Sub-Committee under the Chairmanship of Mr R Devarajan firmed up Industry position with regard to upgradation of existing commercial vehicles to meet tighter emission standards. Retrofitment and conversion are being considered by various authorities as a part of the fleet renewal/modernization programme.



Mr. R Devarajan

Passenger Cars and UVs Sub-Committee

Chairman - Mr Sudam Maitra, Chief General Manager (Engg), Maruti Udyog Ltd

The Sub-Committee under the Chairmanship of Mr Sudam Maitra firmed up Industry position with regard to technical feasibility of upgrading in-use passenger cars to meet tighter emission standards.



Mr. Sudam Maitra

Working Group on CMVR

Chairman - Mr T M Balaraman, Deputy General Manager (PE), Bajaj Auto Ltd

The Working Group under the Chairmanship of Mr T M Balaraman interacted regularly and actively participated in the formulation of about 40 Automotive Industry Standards, out of which over 20 have been notified.



Mr. T M Balaraman

Working Group on Fuels

Chairman - Mr R P Sharma, Technical Adviser, Mahindra & Mahindra Ltd

The Working Group under the Chairmanship of Mr R P Sharma focused on the use of Ethanol gasoline blend in vehicles. The Working Group is interacting with Oil companies to initiate trials with 10% Ethanol Gasoline blend. The Working Group is also studying the use of bio-diesel.



Mr. R P Sharma

PRESIDENTS

Year	Name	Company
1960	Mr Lalchand Hirachand*	Premier Automobiles Ltd
1961	Sir L P Misra*	Hindustan Motors Ltd
1962 & 1963	Mr A E L Collins*	Ashok Leyland Ltd
1964	Mr Keshub Mahindra	Mahindra & Mahindra Ltd
1965 & 1966	Dr M A Chidambaram*	Automobile Products of India Ltd
1967 & 1968	Mr K V Srinivasan	Standard Motor Prod. of India Ltd
1969	Mr A H Tobaccowala	Tata Engg. & Locomotive Co. Ltd
1970 & 1971	Mr A Sivasailam	Simpson & Co. Ltd
1972 & 1973	Mr N K Firodia*	Bajaj Tempo Ltd
1974 & 1975	Mr J E Talaular	Tata Engg. & Locomotive Co. Ltd
1976 & 1977	Mr Rahul Bajaj	Bajaj Auto Ltd
1978 & 1979	Mr P N Venkatesan	Premier Automobiles Ltd
1980 & 1981	Mr C V Karthik Narayanan	Standard Motor Product of India Ltd
1982 & 1983	Mr R J Shahaney	Ashok Leyland Ltd
1984 & 1985	Mr V Krishnamurthy	Maruti Udyog Ltd
1986 & 1987	Mr S L Bhattar	Hindustan Motors Ltd
1988/89 and 1989/90	Mr B De Souza	Mahindra & Mahindra Ltd
1990/91 & 1991/92	Mr Abhay Firodia	Bajaj Tempo Ltd
1992-1993	Mr Subodh Bhargava	Eicher Motors Ltd
1993/94 & 1994/95	Mr Vinod L Doshi	Premier Automobiles Ltd
1995/96 & 1996/97	Mr Brijmohan Lall	Hero Honda Motors Ltd
1997/98 & 1998/99	Mr V M Raval	Tata Engineering
1999/00 & 2000/01	Mr Venu Srinivasan	TVS Motor Company
2001/02-	Mr R Seshasayee	Ashok Leyland Ltd

* Since deceased

MEMBERS OF SOCIETY OF INDIAN AUTOMOBILE MANUFACTURERS

- | | |
|---|---------------------------------|
| 1. Ashok Leyland Ltd | 18. Kinetic Motor Company Ltd |
| 2. Bajaj Auto Ltd | 19. LML Limited |
| 3. Bajaj Tempo Ltd | 20. Mahindra & Mahindra Ltd |
| 4. Daewoo Motors India Ltd | 21. Maharashtra Scooters Ltd* |
| 5. DaimlerChrysler India Pvt Ltd | 22. Majestic Auto Ltd |
| 6. Eicher Motors Ltd | 23. Maruti Udyog Ltd |
| 7. Fiat India Automobiles Pvt. Ltd | 24. Piaggio Vehicles Pvt Ltd |
| 8. Ford India Ltd | 25. Premier Automobiles Ltd |
| 9. General Motors India Pvt. Ltd | 26. Royal Enfield Motors |
| 10. Greaves Ltd | 27. Simpson & Co. Ltd |
| 11. Hero Briggs & Stratton Auto P Ltd* | 28. Swaraj Mazda Ltd |
| 12. Hero Honda Motors Ltd | 29. Tata Cummins Ltd |
| 13. Hindustan Motors Ltd | 30. Tata Engineering |
| 14. Honda Sael Cars India Ltd | 31. Toyota Kirloskar Motor Ltd |
| 15. Honda Motorcycle & Scooter India
(Pvt) Ltd | 32. TVS Motor Company |
| 16. Hyundai Motor India Ltd | 33. Vehicle Factory, Jabalpur |
| 17. Kinetic Engineering Ltd | 34. Volvo India Pvt. Ltd |
| | 35. Yamaha Motor India Pvt. Ltd |

Note : * Withdrew from SIAM Membership in 2002

AFFILIATION & LIAISON
WITH OTHER ASSOCIATIONS & INSTITUTIONS

INDIA

- All India Motor Transport Congress, New Delhi
- Association of State Road Transport Undertakings, New Delhi
- Automotive Component Manufacturers Association of India, New Delhi
- Automotive Tyre Manufacturers Association, New Delhi
- Automotive Research Association of India, Pune
- Bureau of Indian Standards, New Delhi
- Central Institute of Road Transport, Pune
- Central Road Research Institute, New Delhi
- Confederation of Indian Industry, New Delhi
- Federation of Automobile Dealers Association, Mumbai
- Indian Institute of Petroleum, Dehradun
- Indian Machine Tool Manufacturers Association, New Delhi
- Vehicles Research & Development Establishment, Ahmednagar

OVERSEAS

- MOU-Partner : The Society of Motor Manufacturers & Traders Ltd, London, UK
- Founder Member : Federation of Asian Motorcycles Industries, Singapore
- Association of Fabricas de Automotores, Buenos Aires, Argentina
- Associazione Nazionale fra Industrie Automobilistiche, Torino, Italy
- Chambers Syndicate des Constructeurs d Automobiles, Paris, France
- China Association of Automobile Manufacturers, Beijing, P R China
- Japan Automobile Manufacturers Association Inc, Tokyo, Japan
- Organisation Internationales des Constructeurs d Automobiles, Paris, France
- Verband der Automobilindustrie e.v. Frankfurt, Germany
- Indonesian Motorcycle Industry Association, Jakarta, Indonesia
- Korea Automobile Manufacturers Association, Seoul, Korea
- Motorcycle and Scooter Assemblers and Distributors Association of Malaysia, Pinang, Malaysia
- Motorcycle Development Program Participants Association, Pasig City, Philippines
- Singapore Motorcycle Trade Association, Singapore
- Thai Automotive Industry Association, Bangkok, Thailand
- Taiwan Transportation Vehicle Manufacturers Association, Taipei, Taiwan

SIAM SECRETARIAT

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Director General : Rajat Nandi

Senior Adviser : K K Gandhi

Senior Director : Pankaj Gupta

SIAM

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