

Chariot without Horses

A chariot without horses!!!!!! The very imagination was wonderful. But now when we see the modern cars on road, the wonders are multi coloured.

Yes the automobile industry has seen the growth and development, probably to the zenith.

It's not age's back the motor cars came on road, not even a century old story. But if see the progress it's unimaginable. Even now if we open the pages of any auto book, from sedans to big time cruiser one can understand the passion towards the fast moving motor chariots.

But the recent data shows a drastic decline in the very industry. What could be the reasons for the decline? Or is it a lope sided development? If so any underlining reasons?

When two decades back Indian small car maker Maruthi with Japanese Suzuki launched its first economical car which was targeting the lower middle class there were hardly two companies which had dominated the Indian roads.

The growing economy with some high bucks has prompted the foreign auto companies to enter the Indian markets and have done pretty well in the past decade or so. But as nightmare why the glooming industry sinking now?

The very outer look says the collapse of global economy has resulted in the drastic fall & decline in the very sector. The fall of major investment bank giants' has shown a deep cit in employments not only in finance industry but also the competitive industries like I T and ELECTRONIC AND COMMUNICATION SECTORS.

To add salt to the burn even the banking sectors too have shown a reverse trend. The increase in PLR and CRR has net resulted in the steep hike in the rate of interest. This has lead to the non affordability in a direct way. Apart from this there is also a steep

hike in the prices of base metals which resulted in an increase in the production cost (COP)

Is there a way to curb this situation? Probably yes.

The first and foremost step can be stepping in to Malaysian system.

What is the system then?

It's a very well known factor that richer economies like U S A and U K are basically import oriented .Their deficit balance sheet always reflects it. They are the one who believe in outsourcing the man power .So far it was done mainly from Indian side. That's the reason we have seen thousands of I T companies emerged here which was the main reason for the net increase of perceptual income.

But, now the sudden fall in the global economy have thickened the clouds more. With a high level of income in the young blood had made the higher comforts handy here, now it's showing the other face of the coin. To make the things worse there are many countries who give a tough competition to us. Countries like Malaysia are investing a lot into realty sector. They are already with huge it to the west for the operation with one single condition. The labour should be hired from the same land. This is the brave step that we too need to follow since it's a successful deal in that country. Not only it reduces the unemployment ratio but also guaranties high standard of living.

As mentioned earlier there should be steep cut official buildings with all required infrastructure where they are ready to lend in the P L R from R B I. To control the inflation what the hike we have seen in the bank rate of interest has effectively brought the affordability to a lower level especially with reference to the auto world.

The love and passion towards the high end versions like Merc -S series, B M W -7 series, Bentleys and Audis if had made their impacts felt, it's something tough to accept the fact that King of these, Rolls Royce has come up with its show room already in South Delhi.

Where we stand now? -----If the current scenario continues will it turn in to past glory in the nearest future? The automobile industry which pumps a decent income in to the nation will find it very difficult for its very existence in the country then. The global makers like Honda, Hyundai, Ford and Toyota may think to pack off from here. Or is it the core reason for the Indian auto giant Tata to work in to a Nano?

The answer looks seemingly with lack of validity.

But the immediate solution lies in the hands of realtors now. Unless there is a tough control on realty prices a good portion of money will go into their pockets. Its more than 50 % of the pay will go in home loan E M I. In developing economy like India which lives on Martin Luther's dreams, nothing will come true then?

It's high time to the leaders to rationalize the sectors (both in public and private) and to see there is no uneven distribution of funds .It's high time to understand the revenue generated from the auto mobile sector to the economy.

It's high time to understand the percentage of people employed in the industry. It's the time to look in to the relative infrastructural growth and potential (Mainly the road construction).

If the above briefed things are met and done, no doubt our dreams will turn in to reality soon. We heard about- moving the mountains. It's not whether we can move a mountain, it's about the attitude. We say yes we can do then we can. We really can move the mountains.

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