

MONTHLY NEWS LETTER

AUTO

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Jaipal Reddy wants FinMin to impose additional excise duty of Rs 80,000 on diesel vehicles

Mr S Jaipal Reddy, Union Petroleum and Natural Gas Minister, has requested Mr Pranab Mukherjee, Union Finance Minister, to place extra excise duty of Rs 80,000 on the diesel vehicles and give 10-year tax holiday for the oil and gas hunt and refineries in the upcoming Union Budget for the fiscal year 2012-13.

Mr Reddy has met Mr Mukherjee with a long-list of recommendations concerning the oil and gas sector for the consideration in Union Budget 2012-13. Mr Reddy has demanded imposition of extra excise duty of Rs 80,000 on the purchase of diesel vehicles with the aim to get extra revenues which can go towards fulfilling the fuel subsidy.

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The oil ministry also demanded ending the 5% customs or import duty on liquefied natural gas (LNG) with the aim to lower the cost of imported fuel for the core sectors of fertilizer and power plants.

Also, it has also demanded for granting declared goods status to natural gas and LNG so that the environment friendly fuel lure a 5% uniform sales tax in place of present system of varied taxes ranging from 12.5% (Gujarat and Maharashtra) to 20%(in Assam).

Mr Reddy has stated that like coal, which has been granted the announced goods status, gas is considered as preferred fuel for power generation with 40% of electricity which is being generated by using the environment-friendly fuel.

### Maruti Suzuki plans to develop Automotive Skill Development Institute to impart technical training

Domestic car maker Maruti Suzuki India (MSI), has announced its plans to set up an Automotive Skill Development Institute (ASDI) in a view to impart technical training to prepare ready-to-employ skilled manpower for the automobile industry.

The training institute will also reduce the availability of factory-trained roadside mechanics as Maruti has set a very low eligibility criteria for joining the course. Under which, even the school drop outs are eligible to join up the course.

Under the plans of the company, it is considering to impart additional skills apart from technical training where the students will also be trained in proper value systems of work culture and team work. In the same development, the company is seeking to transform the Memorandum of Association through a postal ballot.

According to the company, with the ASDI concept the auto maker is showing its dedication to provide technical training to everyone including those having merely school-level education in order to make them capable to get employed not only in the shop floor, but also in the service workshops.

After the successful completion of the course, the trainees would be absorbed at the service networks of Maruti and also in its manufacturing facilities as per its manpower requirements.

### Perkins India plans diesel, gas engines manufacturing facility at Aurangabad in Maharashtra

The southern European country of Slovenia has invited Indian investments in its auto industry with the aim to surge the bilateral trade with India. The engineering firms are open to transfer technology to Indian corporates, said Slovenian Ambassador Janez Premoze.

Janez Premoze, said, "We invite Indian auto component companies to invest in Slovenia. Our pharma companies can cooperate with Indian drug manufacturers in generics. We would also invite Indian movie makers to look at Slovenia as a

shooting locale. Our country is more beautiful than Switzerland but at half the cost of the latter.”

Slovenia provides easy access to the European markets for the Indian companies. The bilateral trade between India and Slovenia in the period Jan-Sept 2011 has been nearly 191 million euros (almost \$250 mn).

Slovenia has exported goods worth almost 60 million euros to India and also imported nearly 131 million euro worth of goods from India. Slovenia has opened the consular office here to serve the southern India.

Reports suggest that almost 10,000-Indian tourists visit Slovenia every year.

Mr Amit Goel, Honorary Consul, said, “Slovenia has a wonderful landscape with Alps in the north and the Adriatic Sea in the south. The coastline is just 46 km long but is home to hundreds of yatches belonging to people from northern Europe.”

### M&M's Ssangyong Motor plans to make India as manufacturing, export base

Ssangyong Motor Co, which is majority owned by Mahindra & Mahindra, is expected to consider making India a manufacturing and export base. Other auto manufacturers have been benefiting from low cost of production in India.

Choi Jong-sik, Ssangyong's Vice President for sales, has stated that the firm is mulling more than \$1.2 -billion investment on its own in the next 3-5 years, which will help unveil four new products and also their variants.

Seoul-based Ssangyong, which will unveil its Rexton and Korando C sports utility vehicles in India from its assembly plant in Chakan, may resort to manufacturing and exporting smaller compact and sub-compact SUVs, which is being jointly developed with M&M.

Choi Jong-sik, said, “If you see manufacturers like Hyundai, they are exporting cars like Santro to many countries; so possibly, we may explore such opportunities in the future. They will be exported as Ssangyong brand. We know the cost of manufacturing is lower in India, but the quality should be of international standards.”

In October, it has been reported that M&M and Ssangyong have been jointly developing a sub-compact SUV, which is expected to give strong competition to the hatchbacks in India with the price of Rs 3-4 lakh.

M&M has commenced negotiations with Indian vendors for the localisation of few of the key parts of Rexton and Korando C to lower their costs.

### United Union of Hyundai Employees veering towards settlement with management

The workers of United Union of Hyundai Employees (UUHE), which is considered as the only accredited union at the Hyundai Motor India's plant located near here, took a surprise step of negotiated settlement with the management of the

company.

The union is coming in action to hold its first office bearer election inside the factory premises in February.

According to K Dilli Babu, UUHE president, the union is hopeful to settle the labour issues with negotiations and maintained that any sign of violence from police or workers should not have any role in settling the labour issues. Mr Babu was responding on the violence occurred at the private Regency Ceramics factory in Yanam, an enclave of Puducherry in Andhra Pradesh.

The proposed election are planned for February 2-3 and it will be the first office bearer election inside the factory premises in 13 years.

HMIL has been deeply involved in labour tensions at its Sriperumbudur plant, for the past several years. The company had rejected to recognise the employee union on its stand that the company has a works committee to handle workers' issues.

However, the committee lacks legal standing and the workers got registered a trade union, Hyundai Motor Employees Union (HMIEU), affiliated to the Centre for Indian Trade Unions (CITU), the trade union arm of the Communist Party of India-Marxist (CPI-M).

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Pallavi Goyal / Piyush Mathur

Global Advisors Limited

[pallavigoyal@globaladvisors.in](mailto:pallavigoyal@globaladvisors.in) / [piyushmathur@globaladvisors.in](mailto:piyushmathur@globaladvisors.in)

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