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| **Automotive Component Manufacturers Association Of India** |

**Press Statement**

**ACMA welcomes measures announced by Hon’ble Finance Minister to kick-start economy & sustain auto demand**

**New Delhi, August, 23 2019:**  ACMA, the apex body representing India’s auto component sector, welcomed the measures announced today by Hon’ble Finance Minister to infuse liquidity, enhance transparency, fast track GST refunds for MSMEs, expedite capital availability for infrastructure projects and sustaining automotive demand, among others. The industry body expressed satisfaction that the government has taken note of the precarious situation in the auto and auto component industry and accordingly has taken appropriate measures to address it.

Thanking the Union Finance Minister, Nirmala Sitharaman, **President ACMA, Ram Venkataramani,** said, “The announcements made by Hon’ble Finance Minister are indeed very assuring and welcome. We do hope that measures to improve liquidity and deferring of enhanced vehicle registration cost will revive the ailing sales in the auto sector. That apart, enhanced depreciation of 30% until March 2020 will motivate institutional sales of vehicles. Further, removal of ban on purchase of new vehicles by government will also help reduce the current pileup of inventory”

“It is also heartening to note that the Government would be announcing a Scrapage policy in due course. This will not only create replacement demand but will also have a benign impact on the environment and reduce import of fossil fuels. This is as newer vehicles will be endowed with better technology”, added **Ram**.

He also mentioned, “We do hope that the Central Government in consultation with the Sates will consider ensuring a uniform GST rate of 18% on all auto components. Currently 60% of auto components are at 18%, while the rest are at 28%. A lower rate of GST will not only ensure better compliance but also help curb grey opertions in the aftermarket.”

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**About ACMA:**

The Automotive Component Manufacturers Association of India (ACMA) is the apex body representing the interest of the Indian Auto Component Industry. Its membership of over 800 manufacturers contributes more than 90% of the auto component industry’s turnover in the organized sector. ACMA is an ISO 9001:2015 Certified Association.

The Indian Auto-Component Industry witnessed a growth of 14.5% posting a turnover of Rs. 3,95,902 crore (USD 57.10 billion) in the FY 2018-19. While the exports showed a growth of 17.1% scaling to Rs. 106,048 crore (USD 15.16 billion) in FY 2017-18. The Aftermarket grew by 9.6% to Rs. 67,491 crore (USD 10.1 billion) from Rs 61,601 crore (USD 9.2billion) in the previous fiscal.

**For further details:**

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