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Auto parts industry chalks out plans to source skilled workers

Probal Basak / Kolkata

With small and medium enterprises (SMEs) in the auto parts manufacturing sector facing a man-power crisis, the industry is chalking out plans to meet the demand for skilled workers.

“Human resources are a key issue for the auto component industry at the moment. It currently employs one million people and we need another one million people by 2020, as the sector is growing due to the surge in vehicle production in the country. Both auto companies and auto bodies like us are working towards meeting the demand for skilled workers,” Automotive Component Manufacturers Association (Acma) Executive Director Vinnie Mehta said.

Some companies have already tied up with training institutes to source skilled workers. “Some of our member companies – such as the Anand Group and the TVS Group – have already adopted industrial training institutes,” Mehta added.

Auto industry bodies such as Society of Indian Automobile Manufacturers (SIAM), Acma and the Federation of Automobile Dealers’ Associations (FADA) have come together to form the Automotive Skills Development Council (ASDC), which is drawing up a curriculum for the automotive sector and will tie up with the institutes for delivery of the curriculum.

“ASDC is an independent society whose role is to create a curriculum and then engage with agencies for the delivery of this curriculum. The first curriculum we will work on is that of machinists. Once the curriculum for machinists is developed, then under the agencies that are approved by National Skill Development Corporation (NSDC), we will take it forward to Industrial Training Institutes (ITI) and other training institutes that will go and deliver this curriculum for training purposes,” Mehta said.

The NSDC, which was formed as part of the national skill development mission following the budget proposals of 2008-09, is funding the ASDC to meet the growing need for skilled manpower in the auto components sector.

“We want the ASDC to come on board very quickly. Training institutes are also looking forward to working with the ASDC to meet the manpower needs of the industry. We have also funded entities like Gram Tarang, Everonn and Indian Institute of Skill Development, which are setting up capacity for training people in the automotive sector,” NSDC CEO and Managing Director Dilip Chenoy said.

NSDC will be providing Rs 75 lakh to the newly formed ASDC for its one-year pilot project while the ministry of heavy industry will give the seed capital.

According to Acma, the Indian auto parts industry will have a turnover of \$110 billion (around Rs 5 lakh crore) by 2020, while the size of the domestic market in 2010-11 is estimated at \$30 billion (Rs 1.35 lakh crore). This projected growth is a reflection of the expected massive growth of the automobile sector.

A joint study by Acma and Ernst & Young estimates that India’s passenger vehicle market (currently two million units a year) will touch nine million units in 2020, while the commercial vehicle market (currently 530,000 units a year) will grow to about 2.2 million units. By then, the two-wheeler and three-wheeler market (currently 11 million units) is expected to reach about 30 million units.