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Government may offer specialized courses in auto skills development

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The government wants to start specialized courses that will provide training in skills needed in the automobile industry, part of a wider effort to ensure the economy can take advantage of the expected influx of young people into the workforce.

At least 12 million are entering the job market every year in India, according to the labour ministry, and the number is expected to go up as the country seeks to speed up growth from the current 8% levels to 10% to try and spread the benefits of economic expansion across all sections.

Much of the jobs will be created in the auto industry, which is looking at emerging economies such as India for growth, with developed markets having plateaued.

Gujarat, for instance, may see at least 100,000 new job opportunities in the sector, given that the state government is making a determined effort to become an auto hub and has already been picked by Ford Motor Co. and PSA Peugeot Citroen as the location for their plants.

The Indian auto industry's annual sales rose 20% to `3.27 tril- lion in 2010-11 from the year be- fore, according to the Society of Indian Automobile Manufacturers (SIAM), an industry lobby. This is expected to rise to four- fold by 2020, according to SIAM.

The initiative on auto skill courses is being led by the department of heavy industries (DHI) in collaboration with the finance ministry co-promoted National Skill Development Corp. (NSDC).

The backbone of India's skill development system is the network of Industrial Training Institutes (ITIs) managed by the labour ministry. The polytechnics were set up by India's first prime minister Jawaharlal Nehru to create a pool of industrial foot- soldiers.

India has about 9,000 ITIs catering to 1.2 million students, according to labour ministry data. They will play a critical role in the introduction of the 21 courses designed by DHI with the support of automobile companies.

“The Indian car market alone is estimated to be one billion units by 2020 and a majority will be manufactured in our homeland,” said Ambuj Sharma, joint secretary, DHI. “We cannot be slack in manpower, which will affect the sector and the economy.”

The automotive service sector is facing a shortage of about 300,000 skilled workers, according to a recent survey by consulting and auditing firm KPMG. This could rise further, said Narayanan Ramaswamy, executive director at KPMG.

Meanwhile, NSDC has given shape to an Automotive Skills Development Council (ASDC), which will supervise the project. It will be undertaken in two phases--to begin with, pilot courses have been started for service technicians, machinists and drivers. “ASDC will certify students and institutes offering courses in this segment,” said an NSDC spokesman. “We believe this certification will authenticate the course, content and improve the job eligibility of students.”

NSDC has a mandate to train about 150 million by 2022 in an array of sectors already facing manpower shortages. This is part of the larger national mandate to train 500 million in a decade to help staff manufacturing units.

The 21 courses will kick off in the next academic year as part of the second phase, Sharma said. They will be conducted by the ITIs, advanced training institutes and private colleges that offer automobile courses.

Once the students complete these courses, they will be evaluated by ASDC, said Vishnu Mathur, director general of Siam.

Germany is among the developed markets that's hurting from a shortage of workers because of an aging workforce and declining enrolment in technical studies. The country needed at least 77,000 auto engineers last month, Bloomberg news agency reported, citing the VDI German engineering association.

The shortage may threaten the competitiveness of BMW, Porsche AG, Volkswagen AG and Daimler AG as they expand and boost development of electric vehicles, Bloomberg reported in August.

German auto makers are looking to counteract the trend by recruiting people outside the country from growth markets such as China and India.

“When we talk about productive manpower, we refer to 18-40 age group and this is available in India. So, we will not be surprised to see German car makers sourcing manpower from our country. Others will also follow for sure,” Ramaswamy added.

India could be a global source of skilled workers, said a spokesperson for Honda Siel Cars India Ltd, which has started a training centre close to its plant in Rajasthan that can be used by students from ITIs in the area for practical training.

“Efficient students can get absorbed by the company and when required they can be sent to various training programmes at our technical centres in Japan and Thailand,” he said.

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