



EU Directives - Assessing Preparedness of Indian Auto Component Suppliers

Presented by

Dr. Rashmi Naidu
Senior Researcher

**Network for Preventive Environmental Management
Public Trust, Nagpur.**



EU Directives - Assessing Preparedness of Indian Auto Component Suppliers

Methodology

- Survey
- Designing questionnaire with inputs from industry organizations (NIR & CII)
- Finalization of the questionnaire (NetPEM, CII & NIR)
- Survey by post
- One-to-one interactions
- Response during workshop
- Statistical analysis



Designing of Questionnaire

Requirements for Compliance

- Awareness
- Human Resource
- Technology
- Infrastructure
- Cost (Capital)

Overview of the questions

- Exporting Status

- Queries regarding the environmental & social performance
- Awareness about EU Directives
- Training needs for the company representatives
- Key areas of concern for compliance
- Are there any service providers (local or otherwise)
- Presence of banned substances [Pb, Cd, Hg, Cr(VI)]
- Reuse & recycling plan at the end-of-life of products
- Will compliance give you benefit
- Is your company working in the area of EU directive compliance



Steps involved in the survey

- Identification of significance of ELV Directive on Indian automotive export
- Identification of key players in India who would be affected by the Directive
- Selecting the concerned members to be surveyed
- Planning the survey
- Developing the Questionnaire
- Mailing the Questionnaire
- Interviewing select players
- Compiling the survey results
- Analysis of the survey response
- Conclusion

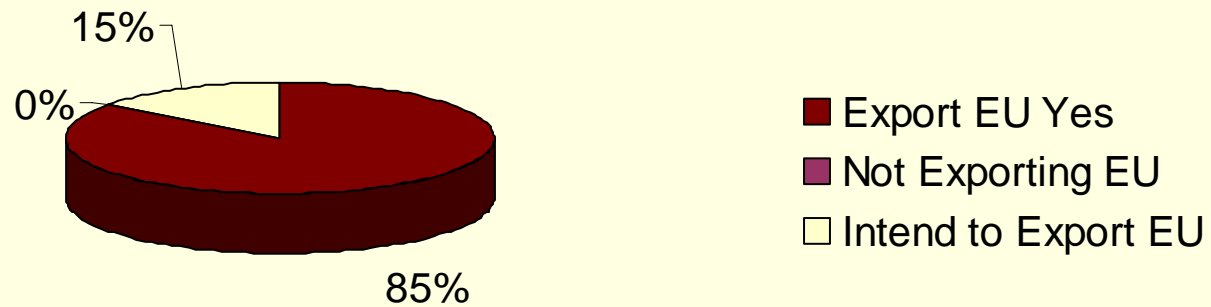


Feed Back Received from Auto Industries

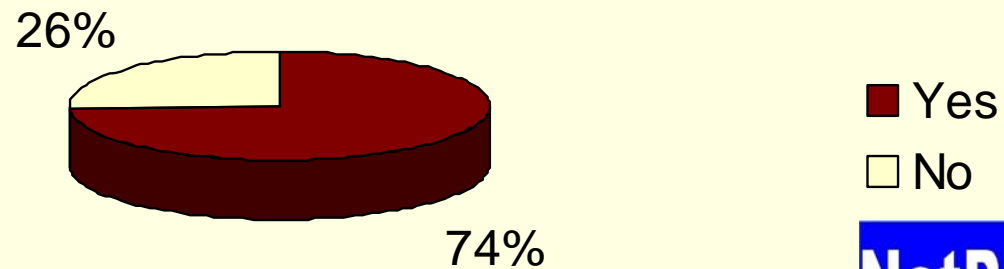
Kailash Vahan Udyog Ltd.	Kirloskar Oil Engines Ltd.
Paranjape Auto Cast Pvt. Ltd.	Kores India Ltd.
M/S Bharat Forge	Panse Autocomps Pvt. Ltd.
Sheet Shapers	Sandhar Locking Devices
Maruti Udyog Ltd.	Rico Auto Industries Ltd.
Sona Koyo Steering Systems Ltd.	Lumax Automotive Systems Ltd.
Motor Industry Company Ltd.	Arjan Auto Pvt. Ltd.
Vikrant Auto Suspension	Perfect Circle India Ltd.
BCL Forging Ltd.	Rinder India Pvt. Ltd.
Purolator India Ltd.	Mahindra & Mahindra Ltd.
Lucas-TVS Ltd.	Spectra Products Pvt. Ltd.
Minda SAI Ltd.	Society of India Automobile Manufacturers

Survey Results

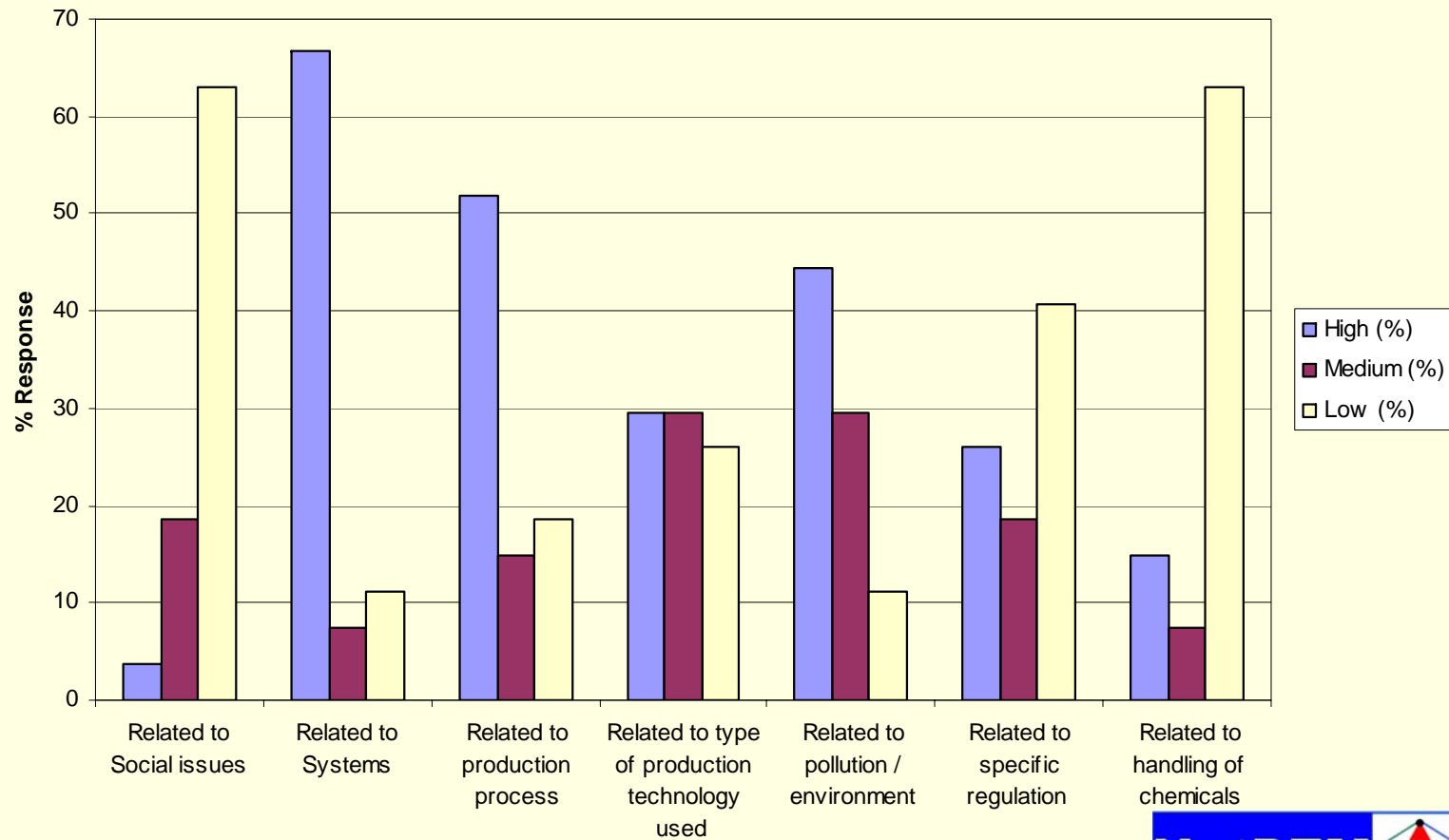
Company Profile



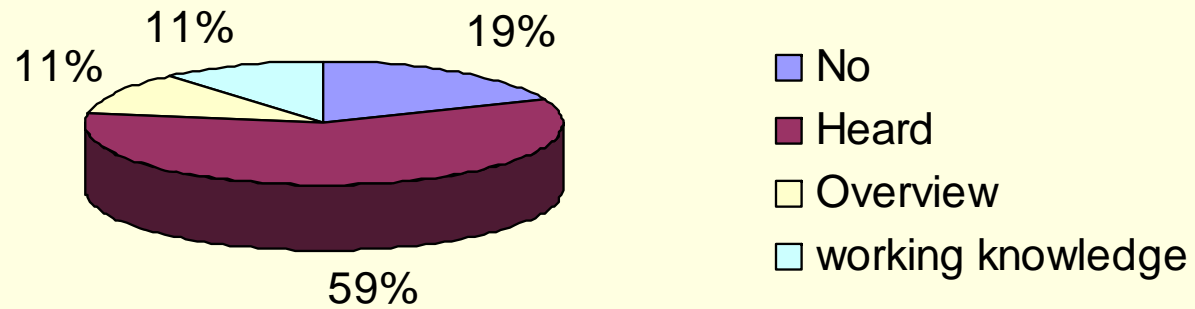
Questions from Buyers regarding Environmental and Social Issue



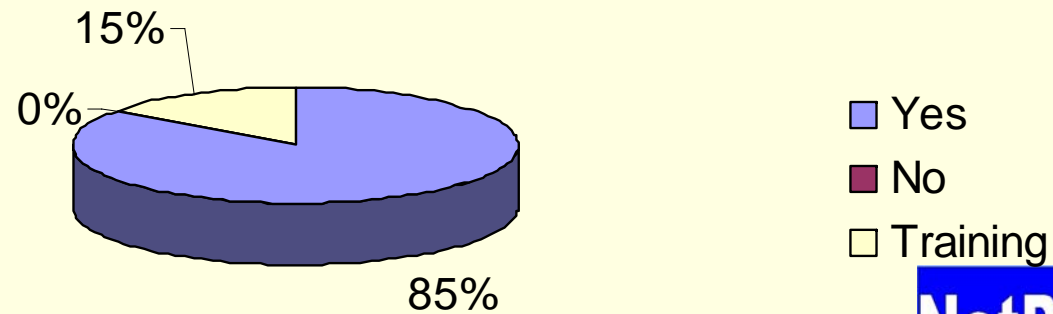
Nature of Enquires from EU Buyers



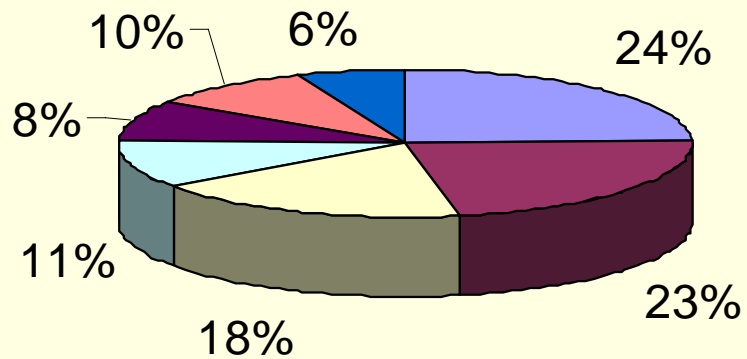
Awareness of EU's ELV Directive



Need of Training for ELV Directive

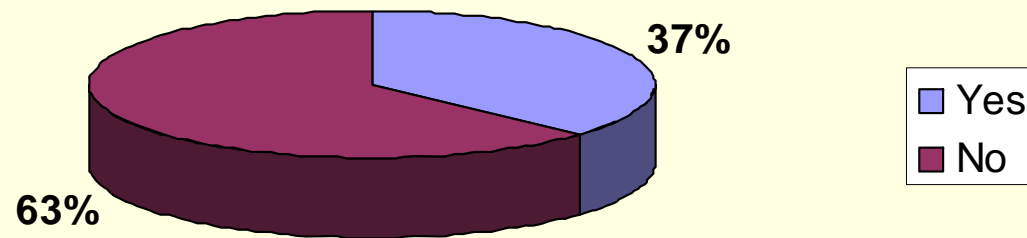


Key Areas of Concern

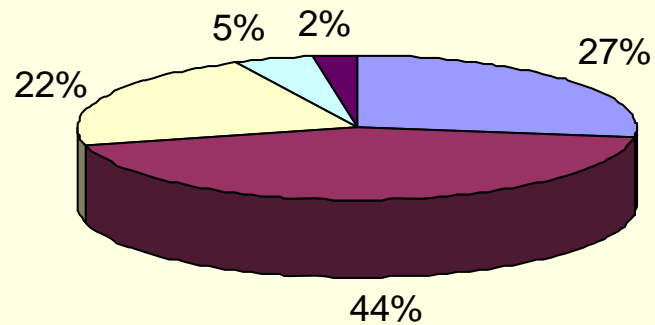


- Alternative technology
- Availability of alternative raw material
- Access to relevant information
- Need for internal capacity
- Need for external expertise (service providers)
- Infrastructure support
- Availability of adequate funds

Presence of heavy metals

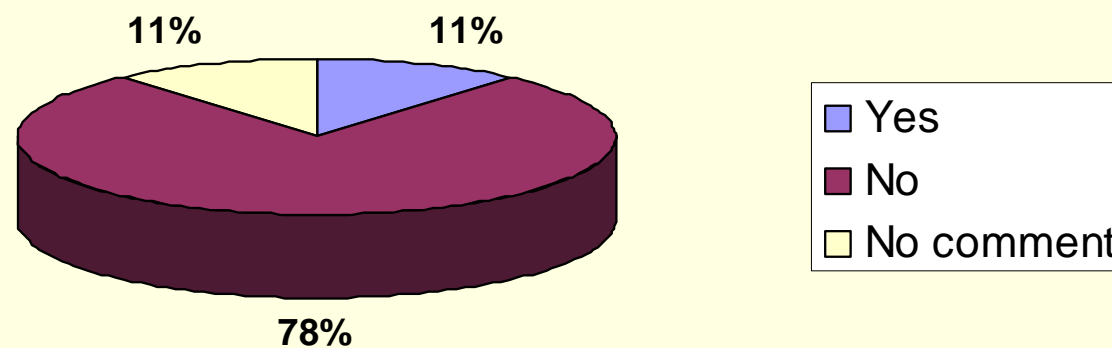


Does ELV Directive provide any opportunity?



- Marketing point of view
- Environmental point of view
- Export point of view
- Provides no opportunities
- Adverse impact on business

Companies working in the area of compliance



Findings emerging out of the survey

- Overall, awareness low
- Indirect exporters in a dilemma
- Approach reactive rather than proactive
- Unaware of the solution & service providers
- Resistance to change
- Skeptical about the cost to be incurred
- Lack of technically skilled manpower in the SME's



Findings (Contd)

- Insufficient awareness programs
- Wait & watch attitude among the smaller players
- Low priority to environmental issues

Possible solutions

- Interaction between industry associations and OEMs is required
- An interdisciplinary team will be required to handle the Directive involving people from exports/marketing, environment and technical (materials) side.
- A nodal agency should take the charge of addressing issues like
 - regular supply of raw materials for the change over
 - research work focused at development of alternate technology
 - exchange of personnel to visit compliant countries



Possible solutions (Contd)

- Counselors can be appointed who can train the people (role of NGO's becomes important)
- Changeovers tend to be costly affairs, so financial assistance should be provided to the automotive industry.
- Research will be required to develop newer materials having similar/better characteristics.
- Indian government should align policies for the compliance
- Assistance for technology transfer should be provided



What the component supplier industry will gain

- **Continued exports to the European countries**
- **Competitive advantage over non-compliant suppliers**
- **Environmental friendly products**
- **Customer preference for quality**

Comply and flourish!

