



Critical Analysis of Automobile Corridor for Economic Prosperity of South India

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Abstract: The invention of the automobile was around a century ago. It has revolutionised society and developed into a sizable industry as a ground-breaking travel and transportation product. It has offered exemplary business models for the 20th century as a mass-production and multidivisional kind of a corporate organisation. In fact, the 20th century could be considered the "Age of the Automobile". Additionally, it has boosted the economy and sparked technological advancements. During the past few decades, the sector has seen significant change, particularly in emerging nations, as a result of trade and investment liberalisation laws and the global expansion of the car industry. The safeguards that mostly protected emerging nations from global competition have been thoroughly undermined. the global, mostly for auto industry is progressively become internationalized. The car business, in India, has been exposed to significant strategy changes throughout recent many years. These progressions shed the majority of controls and guidelines and interestingly since freedom relegated a focal job to the market influences. Thus, the car business in India is currently working regarding the elements of an open market. In the elements of progress of the Indian economy, the car business is arising as a main industry, with the expansion underway and limit creation and with significant development in sends out. Auto Passage (otherwise called Detroit of Asia), is a 60 km long hallway in Chennai, India. This passageway alone records for 33% of business vehicles, 21% of all traveller vehicles, and 35% of auto parts which are delivered in the country. The hall extends from Gummidipoondi, 50 km north of Chennai to Maraimalai Nagar 35 km south of Chennai and goes through Tiruvallur, Sriperumbudur and Oragadam. It is assessed that a piece of this hall from Tiruvallur to Maraimalai Nagar alone, by 2012, would deliver around 1.25 million vehicles, 35,000 business vehicles and other automobiles each year.

Key Words: Marketing, hub, Analysis, India, Chennai, Automobile.

1. INTRODUCTION:

Chennai - a monetarily strong city on the south-east shoreline of India. Its rich social legacy coincides agreeably with modern and administrations areas that have effectively drawn individuals from the nation over. According to the statistics of two thousand eleven the populace became by seven percent with a thickness of 76,553 people for each sq km. The presence of ports and a long shoreline empowered Chennai to form into a modern city. The idea of enterprises developed over a period and Chennai at present houses various vehicle organizations, auto ancillaries, gadgets equipment and administrations area driven by ITITES organizations. There is critical potential for additional development for which the metro framework is constantly expanded. The metro rail and monorail are a portion of the critical infrastructural improvements that are supposed to fuel Chennai's development and open the potential for future land improvements. The freight dealt with by the city's ports and air traffic has developed persistently throughout the long term. This has caused the requirement briefly air terminal in the city. To work with the products from the cars and the gadgets equipment areas, the fringe ring street estimating 133.65 kms will be added to the city's network of streets. The current organization of streets and parkways that navigates across Chennai associates it to a few significant urban communities. This has impacted and fostered a few regions in the fringe rural areas which have changed into semi metropolitan areas and work centres. These are overwhelmingly in the southern and western rural areas of the city. Chennai drives the NSDP of Tamil Nadu whose per capita pay is one point two ₹ 1.2 lakh, 31% higher than that of the country. This converted into a duty income of ₹ 74,000 crores in two thousand eighteen nineteen which is twelve percent more than the earlier year, getting fourth position in the country. The different populace of Chennai has been instrumental in driving its development. We are resolved to proceed with this energy that has been set regardless of normal disasters. We recognize the steadfast soul of Chennai's inhabitants and their guts. The business crew is devoted to giving open doors to every one of the people who wish to be a piece of this excursion to change Chennai to a top-notch objective.



Figure 1. mobile manufacturing unit

Chennai, known for its rich history and legacy is one of the main urban communities of India. While solid monetary commitment is the justification behind the city's prosperity and significance, it is the versatility of individuals and their unyielding soul that has assisted Chennai with recapturing its great position, even after the overwhelming surges of 2015 and the triple wave of DeMo, RERA and GST. Chennai has changed from a verifiable exchanging city attributable to the presence of the country's third most established port to a significant material centre of South India. Post the monetary progression in 1991, the city rushed to respond and created as a middle for car assembling and IT-ITeS. Right now, the economy is being driven by administrations, electronic equipment and assembling areas that keep an ideal harmony between by and large development and expansion. All out products of the auto and auto ancillaries contacted six point eight million US dollar out of two thousand seventeen eighteen enlisting a development of nineteen percent over the earlier year. The IT-ITeS area is the major monetary driver of the city for more than a decade & utilizes north of four lakh individuals. The city's economy is probably going to stay resistant to the lull in the vehicle area as there are different areas which will keep the economy strong. The operationalization of the main period of metro well affects the intra-city drive. Specialists are thinking about expanding the recurrence of the metro to take care of the rising ridership which has proactively contacted one lakh. The ensuing periods of the metro, monorail, extension of the East Coast Street and the new global air terminal are unquestionably going to catalyse the future development of the city. Currently home to significant public and worldwide car producers, the impending Aviation leave at Sriperumbudur will transform the monetary scene of the area. This won't just set out open doors for expanded ventures and incomes yet will likewise prompt age of critical business potential open doors. Quick urbanization and having a significant impact on outlook of the general population shows a rising acknowledgment of private lofts. Chennai represents around 33 of India's car parts creation as is famously known as the 'Detroit of India'. A portion of the unmistakable auto organizations like Ashok Leyland, Portage India, Renault Nissan, Regal Enfield, Daimler, and Eicher have laid out their assembling base in the city. The car producing organizations are widely upheld by north of four thousand SMEs and 350 providers. The city created multiple million vehicles in 2017-18 and traded more than 1 million vehicles during a similar period. Auto auxiliary units and car producing units are basically packed in West Chennai. The justification for the focus is principally because of its immediate availability to Chennai port and Ennore port through different spiral streets. The improvement of the External Ring Street has decreased make a trip time to Ennore port essentially. and the car producing areas that are probably going to affect the development in the years to come.

2. LITERATURE REVIEW:

Kaur Harpreet in 2016 attempted to inspect the characteristics and amounts entertainer of Maruti Suzuki co. and how both affected its piece of the pie in India, For this study optional information has been gathered from yearly reports, diaries, report vehicle destinations. Result shows that MSL has been effectively driving car area in India for most recent couple of years.

Kaur Kuldip & Kumar Neeraj made an endeavour in 2016 to test the size and productivity relationship in the Indian car industry. To investigate the relationship direct relapse model as well as cross-sectional has been utilized for the year 1998 to 2014. For productivity examination two unique measures have been utilized

- Proportion of net benefit to add up to deals turnover



- Proportion of net gain to net resources in addition to working capital and for structure size two pointers utilized specifically, complete deals turn over and net resources. The time series examination showed the positive connection between firm size and productivity yet cross sectional show no connection between firm size and benefit.
- Subramaniam M Venkata & Ravichandran, M. did a study & the primary thought behind this study is to evaluation of practicality, strength and productivity of Power engines restricted. Working place of the organization can be estimated by utilizing different monetary devices like productivity proportion, dissolvability proportion, similar explanation and diagrams and so forth. This investigation discovers that organization has got an adequate number of assets to meet its obligations and liabilities. Organization can additionally work on monetary execution by diminishing the regulatory, selling and working costs.
- Agarwal Krati & Mathur Shivam's, proportions are a brilliant & logical method for breaking down the monetary execution of any firm in 2016 The organization has gotten many honors and accomplishments because of its new developments and innovative headway. These pointers assist the financial backers with effective money management the right organization for anticipated benefits. The review shows that Maruti Suzuki restricted is superior to Goodbye engines restricted.
- Geethalakshmi & A. Jothi, K. in 2016 attempted to assess the productivity and monetary place of chosen organizations of Indian auto industry utilizing measurable apparatuses like, proportion investigation, mean, standard deviation, connection. The review uncovers the positive connection between benefit, present moment and long-haul capital.

3. RESEARCH GAP:

Around thirty five percent of the auto business' ability in India is situated in only two urban communities in Tamil Nadu, Chennai and Coimbatore, as per the Tamil Nadu Modern Improvement Enterprise — Lucas tvs, a significant auto electrical maker, declared non-working days in August due to "business lull". The notification, posted by the organization on its notification board, became a web sensation via virtual entertainment stages after Dravida Munnetra Kazhagam (DMK) president M.K. Stalin tweeted the photograph and said that information from all areas, including the vehicle area, showed that the economy was in profound pain. Another TVS Gathering firm, Sundaram-Clayton, which fabricates aluminium pass on cast items for homegrown and abroad business sectors, declared a two-day conclusion of its manufacturing plant in August. Prior, in July, Bosch Restricted, an enormous vehicle parts creator in India, declared it was closing its Gangaikondan plant in Tamil Nadu for five days to check "pointless development of stock". News reports said that Bosch shut three different plants — in Naganathapura, Jaipur and Bidadi — for shifting periods for a similar explanation.

"Due to creation cuts by producers, subordinate units are confronting the intensity," said an auto parts provider. Cutbacks are being turned to each week. On account of the battery business this is a reality today. "We offer around sixty to sixty five percent of our creation to the OEM [original gear manufacturer]. Assuming that stops, how would we deal with our plants? We need to sell this volume some place. Tragically, the commodity market, as well, is struggling," said a leader who works with a main battery brand. In the retail exchange tires and batteries there is an issue due to the liquidity crunch. "This lull at the maker level won't promptly affect the retail exchange, however we will deal with an issue down the line, perhaps in a year or somewhere in the vicinity," said a retailer. The auto and auto parts industry's effect on the Indian economy is critical as it contributes around 7% to the nation's GDP (Gross domestic product). The car business is critical to the homegrown assembling area; it offers north of 40% of the area's turnover and effects the fortunes of a few related assembling enterprises like iron and steel, aluminum, elastic, synthetic compounds and shape, as indicated by the Confederation of Indian Industry (CII).

Tamil Nadu's situation as one of the main 10 car "areas of interest" on the planet is under serious danger on the grounds that the lull in Coimbatore is as awful, while perhaps not more regrettable, as that of Chennai. Upwards of 15,000 foundries do "work works" for the auto area and practically every one of them are in the miniature and limited scope area.

2 most important problems faced by the Industry

1. Absence of occupation orders;
2. Defers in instalment from the organizations they supply to

Two major problems

A delegate of the Tamil Nadu Relationship of Cabin and Miniature Ventures said that the units dealt with two significant issues: one, absence of occupation orders; and two, postpones in instalment from the organizations they supply to. Given the ongoing circumstance, employment misfortunes are a regular issue and there doesn't appear to be any reason to have hope. "The circumstance is genuinely terrible on the ground It's stunning on the grounds that we



are seeing deals crashing month on month," Vinnie Mehta, chief general, Auto Part Producers Affiliation, told a link news Television slot. "This has not occurred previously. This is extraordinary."

As per the Alliance of Auto Sellers Affiliation (FADA), the summit collection of vehicle retailers the nation over, upwards of 65% of the vendors who took part in a web-based study in July appraised the ongoing feeling of the business as "terrible", up from 56% in June. On the liquidity front, 56% of the sellers appraised the circumstance as "awful", up from 46% in June.

The issue is considerably more intricate than it shows up on a superficial level and various elements added to it, as per specialists and industry affiliation delegates. The log jam popular in view of issues across areas is the primary shock for the area. The second is the Focal government's push for electric vehicles (EVs). While auto part industry delegates don't hail this as a difficult issue, it evoked solid responses from car producers.

"Things were at that point distressing when the public authority declared the EV push," said an industry delegate. Something like two significant organizations in Chennai, including the marquee Ashok Leyland, have offered brilliant handshakes to workers.

Everything started with the credit blast to urge more individuals to purchase vehicles. The credit principles were made equivalent to for purchasing motorbikes. Indeed, even extravagance vehicles were sold with repurchase offers and long-haul advances. "Every one of these were subsidized mostly by non-banking monetary organizations (NBFCs) and only three significant banks. The NBFCs were getting in the business paper market (where compensation time is exceptionally short) and loaning for extensive stretches of time. This was working out in a good way for quite a while in light of the fact that [Prime Minister] Manmohan Singh was running the motor appropriately," said Srinivasan.

Numerous progressions

Ganapathi banners "numerous changes" in the area as another explanation. "The consistence necessity of the Bharat Stage VI standards and the presentation of EVs have maybe made some mentality challenges. The business is making a good attempt to deal with the speed of progress around it," he said. "At one level, I'm amped up for India moving into EVs and, ideally, arising as the go-to country for EVs, similar as Japan was during the 1980s for auto and shopper gadgets. However, the worry, obviously, is that the innovation is as yet arising and is yet to balance out. Subsequently, straight away, you miss out on the part side. In a customary vehicle, you will most likely have 7,000 or more parts, however the moment you make an EV, it comes to under 1,000. The effect on MSMEs need not be exaggerated," he said.

There are two other irrelevant however significant parts in the grid that fuel the shock to the economy. One, a public area bank director telling the public leader panel of an office of trade in Mumbai in August that he had Rs. 1 lakh crore to loan yet had no applications. Two, the all-out instalment receivable to corporates and organizations from the Focal and State legislatures in India is Rs.10 lakh crore, across areas and organizations. "For what reason would you say you are discussing a Rs.1 lakh crore upgrade? The business in all cases needn't bother with an upgrade. Let each state-claimed element, beginning from the Public Nuclear energy Company (NTPC) to State legislatures sit together and choose to deliver no less than 50% of what they owe sellers. That will be Rs. 5 lakh crore. Why fault industry? If it's not too much trouble, discharge what you owe to industry," said a corporate honcho.

The most compelling motivation which has energized auto players of all shades and sizes to put resources into Tamil Nadu has been the well-disposed modern approaches formed by the public authority. Starting around 2006, the state's arrangement gives extraordinary motivating forces to associations contributing in excess of 4000 cr. This has drawn in ventures worth more than Rs 22,000 cr which is multiple times of that in the past 5 years. These motivations range from those like tax reductions, simple procurement of land and furthermore fast execution of the activities



Figure 2. Chennai largest automobile cluster

Development of Vehicle Industry in Chennai



Purposes behind the development of vehicle industry in Chennai are as per the following:

- Improvement of Public Expressway 45 for transport, exchange and trade.
- Infrastructural advancement in Chennai and accessibility of Auto producing units.
- Presence of specialists and gifted labor force in Chennai with capability in assembling area.

Company	Location	Products
Ashok Leyland	Chennai port	Buses, haulage vehicles
Ashok Leyland - Nissan	Pillaipakkam	Dost truck
BMW	Mahindra World City, New Chennai	BMW- 3,5,7 Series, BMWX- 1,3
Caterpillar	Thiruvallur	Off Highway Trucks, HEX, Back-Hoe Loader
Daimler	Thiruvallur	BharatBenz trucks, Mercedes-Benz buses
Ford	Oragadam	Fusion, Endeavour, Figo, Ecosport
Mahindra & Mahindra	Maraimalai Nagar	Research and development for automotive and farm sector
Force Motors	Mahindra World City	Engines of BMW
Nissan	Oragadam	Micra, Teana, X-Trail, Datsun Go
Hyundai	Irungattukottai	Accent, Elantra, i-10,20

Table1. Automotive manufacturers

As the table suggests number of automotive manufacturers are set up in Chennai and contributing a lot in Indian economy, as these automobiles are not just sold & used within the country but also these manufacturers are leading exporters of their production as well as parts of various automobiles.

3. OBJECTIVES OF THE STUDY:

- To examine the automobile corridor of south India.
- To analyse economic prosperity due to automobile corridor in south of India

4. RESEARCH METHODOLOGY:

The research study done in this paper is pictorial in creation. Its construction is based on secondary source of the data to examine economic prosperity due to automobile corridor in south of India. The details used in this research was accumulated from various origins such as newspapers, journals, magazines and relevant websites.

According to a survey Chennai has installed capacity of one point six four million of trucks & zero point two million of two wheelers and total installed capacity of 4.82 million with the production of one point zero nine million of two wheelers & its export counting around zero point three one million. The production of two wheelers is zero point eleven million with exports of zero point two million the survey also mentions total production of three point one eight million products as well as zero point seven zero million exports. As the diagram clearly shows that these automobiles are not only produced but are exported it leads a helping hand in India's economy as Chennai are called as Detroit of Asia.

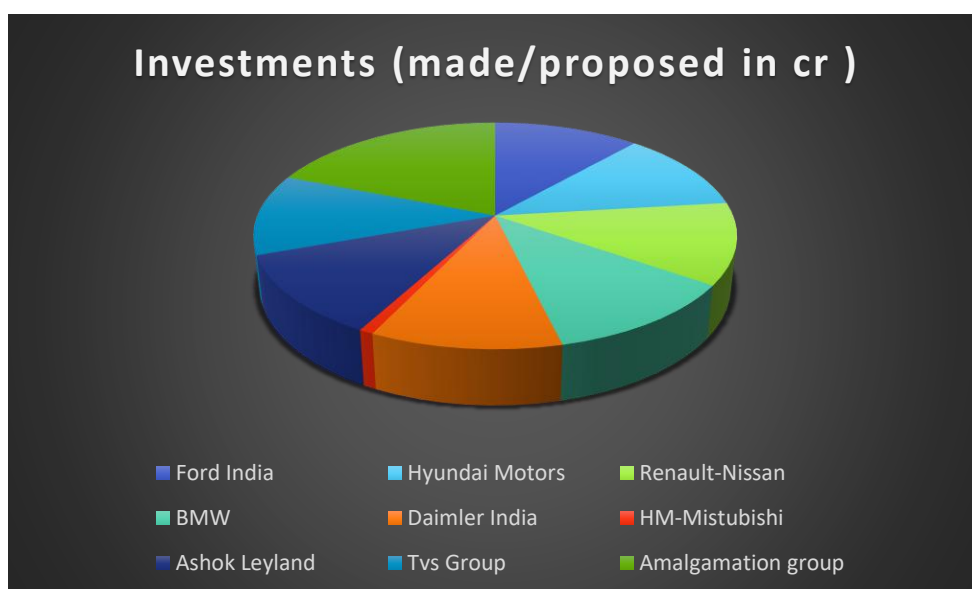


Figure 4. Major automobile players of India



Table 2. Automobile industries with their investments

Project Name	Investments (made/proposed in cr)	Products
Ford India	4,576	Cars/SUV engines
Hyundai Motors	4,576	Cars/SUVs
Renault-Nissan	4,576	Cars/SUVs
BMW	4,576	Luxury cars
Daimler India	4,300	Commercial vehicles
HM-Mistubishi	325	Premium cars
Ashok Leyland	4,576	Commercial vehicles
Tvs Group	4,576	Auto components
Amalgamation group	7,500	Tractors/components/parts

*Figure 5. Investments made by various firms in south part of India*

Few of the major automobile industries have invested huge amounts on the projects in Tamil-Nādu which includes 4576 crore rupees by Ford India, Hyundai Motors, BMW, Ashok Leyland, & TVS groups, 4300 crores by Daimler India, 325 crores by HM-Mistubishi & 7500 crores by Amalgamation groups.

5. SUGGESTIONS:

Business cycles are great since they guarantee that serious firms flourish, and the abundances of unfortunate speculations from blast times are gotten rid of. It is the "cell fix" time expected to fabricate a "solid body". However, the business biological system should likewise work as one to contain the drop when the downcycle shows up. vehicles, development gear and farm haulers are emphatically corresponded to development in Gross domestic product, modern result, rural result and foundation spending (relationship coefficient of less than eighty four percent. A decline in these auto portions is intelligent of the general stoppage in the economy, with Gross domestic product development rates descending consecutively over the last five quarters, A re-preparing of these car fragments will require taking critical concentration back to the center areas of the economy. Cash and capital will likewise have to stream once again into the foundation area, especially for settling existing project worker levy and once again oiling supply chains. Speculation projects - with new task declarations having fallen by seventy nine percent The NBFCs (Non-Banking Money Organization) have been huge credit suppliers to the auto area across portions - armada proprietors (business vehicles, development hardware), ranchers (farm trucks) as well as buyers (vehicles, 2-wheelers).



6. CONCLUSION:

It is the ideal opportunity for market pioneers to audit their true capacities and recognize promising vital accomplices that can fill holes in the portfolio, in a roundabout way keeping the future versatility needs in the know. A lull can introduce appealing chances to secure basic ability and capacities inside and outside the conventional auto area. Very much positioned ventures will empower southern auto passage to jump in front of more slow-moving companions and gain a critical advantage in advancement, improvement, and time-to-showcase. Firms that utilization the period before a log jam to set themselves up for it will be better situated to jump all over alluring chances when they emerge. It is progressively evident that the car business is in moderate phases of a stoppage. Be that as it may, while constrictions are a period of vulnerability, the business is supposed to present critical worth producing valuable open doors around digitization and administrations. Organizations that act rapidly and unequivocally to embrace a new and more essential business choice won't just bounce back quicker from the slump yet in addition emerge from it

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