

Name of the Scholar : **DebROTO Mukherji**
Name of the Supervisor : **Prof. (Dr.) A. A. Ansari**
Name of the Co-supervisor : **Dr. Syed Nasir Aziz Rizvi**
Department : **Commerce & Business Studies**
Title of the Thesis : **“A Comparative Study of Global Competitiveness of Indian and Chinese Auto Components Industry”**

ABSTRACT

Introduction :

Automobile industry of any country is considered to be an indicator of its economic situation. This is due to the fact that mobility is one of the prime requirements of mankind. The same applies to Indian Automobile Industry also. Its performance can be correlated to the health of the economy. In the past three years when the economy grew well above 8%, the industry moved ahead at a fast clip [growth rate of 20% in year 2004~05]. All this could be attributed to the good economic scenario, favorable Govt. policies and leverage of the tremendous potential by car makers in India. Even in the present economic scenario when we are witnessing unprecedented global economic meltdown, Indian Automobile Industry is still expected to report positive growth. The entire supply chain consisting of raw material suppliers, logistic providers, components makers and system suppliers, provides a large number and quantity of parts to the car makers typically on Just-In-Time basis. The current scenario clearly suggests that there is a tremendous potential of becoming a global player for the auto component companies based in India.

The present study of Indian Auto Components Industry with case studies on Brakes and Sheet Metal Body parts manufacturers was analyzed. Brakes and Sheet Metal Industry is a medium engineering type of industry as Tier 1 suppliers to the OEMs. This industry is facing challenges from the smaller players in the country and also from China and Japan. As more and more OEMs are bringing in their current suppliers to India, Indian industry needs to position itself as a preferred supplier to the car makers. In this backdrop, the case of Indian industry was analyzed on the challenges faced by the industry, opportunities available and future scenario. The present study has done on the basis Primary data and secondary data was accessed through industry journals, published material in this field.

From the study I found the hypothesis ***“Indian Auto Components Industry has the potential to become a Global industry and can become more competitive as compared to Chinese industry under the current liberalized regime”*** is correct. 21st century seems to have begun with events indicative of the turbulence, challenges and opportunities ahead. Excesses during long economic boom in America surfaced with the dot-com crash. The attacks of September 2001 and the collapse of giants such as Enron and WorldCom have shaken confidence in business. With Japan passing through a decade-long painful transition, two biggest economies of the world are in poor shape. Survival and success in such turbulent times increasingly depend on competitiveness. Competitiveness has been described many by researchers as a multidimensional and relative concept. The significance of different criteria of competitiveness changes with time and context. Research efforts have brought many interesting perspectives and frameworks at the country, industry, and firm level. The popularity of the competitiveness benchmarking at the country level such as Global Competitiveness Reports, World Competitiveness Yearbooks, and National Competitiveness Reports is an indicator of growing interest in comprehensive frameworks and data for competitiveness-related decision-making. Research into issues of industry-level competitiveness confirmed importance of processes in enhancing competitiveness. Competitiveness comes through an integrated effort across different functions and hence, has close linkage with strategy process.

As a global player, the firms need to understand the world class business practices clearly and put a mechanism in place to percolate these in the organization. The industry scores well on the image, ethical business practices and future potential criteria and should use these to maximize benefits.

Above all there is a lack of awareness of understanding competitiveness. As a long term strategy, the industry needs to put in place a strategy to develop core competencies on various criteria as evaluated above. It needs a long term action plan as demonstrated by global benchmark of Japanese industry.

As a result of this study I found

- ***Competitiveness is a good indicator to evaluate and monitor the health of an industry***
- ***Indian Auto Components Industry has the potential to become a Global industry and can become more competitive as compared to Chinese industry under the current liberalized regime.***