

STUDY ON ECONOMIC GROWTH THAT AIDS AUTOMOBILE INDUSTRY IN SOUTH TAMIL NADU

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ABSTRACT

The current study seeks to understand the economic growth that benefits the automobile industry in Chennai. The increase of this area has been fueled with the aid of sturdy authority's support, which has helped it carve a special course amongst the manufacturing sectors. The cars produced in the uniquely cater to the needs of low- and middle-income businesses of the population, which makes this region stand out amongst the different automobile-producing countries. The study's aim used to be to take a look at the influx of direct funding into the vehicle enterprise from 2017 to 2022. The total estimated pattern measurement is 150, which has been observed in all senses and is being evaluated for closure. The find out about information series for lookup work is primarily based on secondary sources. For the F-test evaluation used in this study, the researcher used a statistical check and a sketch to current the data. The learn about end result indicates that the financial boom of the vehicle industry, with admire to the coefficients of correlation between their financial boom in the vehicle industry, indicates that no big distinction is existing between the corporation's (Z determined = 1.336; $p > 0.05$). Therefore, it is concluded that motivation for the evaluation of increase is furnished with the aid of two main traits in the Indian car area in the course of the final decade. The recognition of passenger automobiles and two-wheelers is growing. Passenger car increase is low in evaluation to different sectors.

Keywords: Economy, Growth, Automobile Industry.

INTRODUCTION

The automobile industry is a capital-intensive and knowledge-intensive industry that plays an important role in the country's socio-economic development. Currently, the enterprise is booming, involving an growing variety of international locations in the manufacturing of cars, whilst the alignment of forces in the automobile market is continuously changing. The position of the car enterprise in the improvement of the cutting-edge financial system and the potentialities for its improvement are decided via the

region of motor transport in the infrastructure of the countrywide economy. The automobile enterprise in Chennai is one of the biggest in the world. It had until now been one of the fastest-growing economies globally, however is currently experiencing flat or terrible boom rates. This learn about analyses the function of authorities policy, infrastructure, and different enabling elements in the enlargement of the car and automobile issue sectors and the course they are probably to take for increase in the subsequent few years. Moreover, the developing pastime of the organizations in exploring rural markets in addition aided the increase of the sector. The average Passenger Vehicle (PV) phase has a thirteen percentage market share. Its passenger auto and business automobile manufacturing industries have been the world's sixth largest. One of the first-rate matters to appear to the Indian vehicle market in latest years used to be its improvement in the export sector. In today's aggressive environment, high-performing enterprises have discovered how to install human sources (HR) practices to beautify aggressive advantage. Human sources administration faces challenges in bringing better-suited people into the employer and assembly the workers' wants and expectations

Also a prominent auto exporter and has strong export growth expectations for the near future. API Three Wheelers manufactured under license from Innocent of Italy, as well as automobile ancillaries such as clutch and braking systems. API's registered offices were earlier in Mumbai but later shifted to Chennai, in Tamil Nadu. The automobile sector is compartmentalized into four different sectors, which are as follows:

- Two-wheelers, which comprise mopeds, scooters, motorcycles, and electric two-wheelers
- Passenger vehicles, which include passenger cars, utility vehicles, and multi-purpose vehicles
- Commercial vehicles that are light and medium-heavy vehicles
- Three wheelers that are passenger carriers and goods carriers

The automobile industry, which comprises the automobile and automotive component segments, is one of the key drivers of economic growth. Being deeply integrated with other industrial sectors, it is a major driver of manufacturing gross domestic product (GDP), exports, and employment. This sector has grown on account of its traditional strengths in casting, forging, and precision machining; its manufacturing and cost advantages (on account of the availability of abundant low-cost skilled labor); and significant foreign direct investment (FDI) inflows.

Automobile Industry

The automobile industry, alongside with the auto factor industry, is one of the core industries in India. A well-developed transportation machine performs a key function in

the improvement of an economy, and India is no exception to that. Automobiles are one of the greatest industries in the international market. owing to its robust ahead and backward linkages with a number of key segments of the economy. The vehicle quarter occupies a outstanding region in the material of the Indian economy. The car zone is a chief in product and technique applied sciences in the manufacturing sector. It has been known as one of the drivers of monetary growth, and the home car enterprise is believed to be the barometer of the economy. Such a faith is in line with worldwide tendencies due to the fact in most mature economies, the vehicle industry's overall performance is considered as a reflection of the economy's health. This region has emerged as a first light region in the Indian economy.

The automobile enterprise offers employment to thirteen million humans in the working class. The vehicle region is divided into 4 segments: two-wheelers, passenger vehicles, business vehicles, and three-wheelers. Two-wheelers are one of the world's fastest-growing passenger vehicle markets; they are the second-largest two-wheeler producer and the fifth-largest business car manufacturer. It is additionally domestic to the biggest motorbike manufacturer.

The boom of the car enterprise is vital for boom in the economy, mainly due to the fact the automobile enterprise has a sturdy multiplier effect. It is successful of being the driver of monetary growth. A excessive direct-to-indirect employment ratio of about is estimated for the car enterprise due to the fact that enterprise has the plausible to generate employment for about 10 greater humans for each character employed at once in the vehicle manufacturing industry. These oblique employments consist of employments in ancillary and thing industries, car provider stations, mechanics, loaders and cleaners of business vehicles, establishments financing the buy of vehicles, and humans who pressure industrial motors and employed vehicles. There is a symbiotic relationship between the increase of the economic system and the demand for vehicles.

LITERATURE REVIEW

Kanupriya (2016) made a find out about on the vehicle enterprise in India. The vehicle enterprise is one of the key drivers of monetary boom in the country. Since the de-licensing of the quarter in 1991 and the subsequent opening up of one hundred percentage FDI thru the automated route, the Indian vehicle zone has come a lengthy way. With the de-licensing and opening up of this quarter to FDI, the area has grown hastily due to the entry of international players. Today, nearly each international automaker has set up amenities in the country. The style in the manufacturing of cars suggests the increase of the vehicle sector. This paper indicates the style of FDI inflows in the vehicle enterprise for the duration of 2004–2014. The vehicle industry's manufacturing vogue is rising.

Smita Miglani (2019) carried out lookup on the Indian vehicle industry's growth: *An Analysis of the Roles of Government Policy and Other Enabling Factors*. The car enterprise is one of the most vital drivers of financial increase in India and has a excessive stage of participation in world cost chains. The increase of this region has been fueled by means of sturdy authorities support, which has helped it carve a special route amongst the manufacturing sectors of India. The cars produced in the us of a uniquely cater to the needs of low- and middle-income companies of the population, which makes this region stand out amongst the different automobile-producing countries. This chapter analyses the roles of authorities policy, infrastructure, and different enabling factors in the enlargement of the car and car thing sectors in India. In 2017, India grew to be the world's fourth-largest vehicle market, and the demand for Indian motors continues to develop in each the home and global markets. To meet the future wishes of clients (including these of electrical vehicles) and remain beforehand of the competition, producers are now catching up on upgrades, digitization, and automation.

Rajesh, A. S. Dileep (2020) *Foreign direct funding in the car enterprise* Foreign direct funding in the Indian vehicle enterprise has created new possibilities for the boom of this necessary quarter of Indian industry. The liberalization of authorities insurance policies involving FDI in the car enterprise of India has improved the scope of this industry. The first FDI participant in the Indian car enterprise was once Suzuki. In the 1980s, this organization entered into a joint task with Maruti Udyog, a state-run enterprise. The then Indian authorities authorized this corporation to enter the Indian vehicle market in 1983. In 1991, the authorities of India liberalized its insurance policies involving the car enterprise in India. Foreign direct funding in the Indian automobile enterprise was once permitted. In 1993, FDI used to be additionally allowed in the passenger vehicle section of the Indian vehicle industry. This study analyses the growth so a long way made thru FDI in the automobile industry.

Methodology

The methodology accompanying the lookup has been described. Details related to the lookup design, statistics series, and sampling layout used have additionally been given. Finally, the boundaries of the investigation have been briefed.

Objective of the study

This study is conducted with the objective of analysing the economic growth of the automobile industry for the period 2017–2022.

- ✚ To impact the economic growth trend of automobile production.
- ✚ To analyse the trend of exports in the automobile industry.

Hypotheses

- ❖ There is no significant difference between economic growth trends of automobile industry production is increasing mode.
- ❖ There is no significant difference between trends of automobile industry export in increasing mode.

Research design

The design is a collection of diagrams that exhibit how a search for is carried out in small print. In accordance with the look up ambitions of the study, the look up sketch chosen for the descriptive look up objectives explains the sequence of activities as they independently take place in nature. It prevents the researcher from interacting with or manipulating the gathered and analysed data. Further, such data lend immoderate accuracy and reliability to the stop end result of the study. The lookup format used through the researcher is in accordance with the empirical findings about requirements.

Scope for the study

The find out about is complete and analytical. The statistics accumulated from the statistics has been finished. The goal of the work focuses totally on human useful resource practices in the chosen vehicle enterprise companies. The study's method was once designed with the financial increase of vehicle enterprise organizations in Chennai in thinking.

SAMPLING DESIGN

Sampling is a simple tool for collecting data about a specific problem from a specific subset of the entire population rather than measuring each and every unit of the population. A suitable sampling method can produce stunning results in terms of the authenticity of the effect of a lookup.

Sampling Technique

The cutting-edge study on applying the comfort sampling approach to randomly selected automobile industries is from a disadvantaged area in Chennai. An extensive survey was once conducted for the years 2017-2022. The total estimated pattern measurement is 150, which has been observed in all senses and is being evaluated for closure.

Secondary Source

The secondary sources were collected from various sources, such as articles, books, journals, newspaper reports, government reports, internet website pages, etc.

Statistical techniques used

It is critical for the researcher to select excellent equipment and strategies for thoroughly examining the data. For the F-test analysis used in this study, the researcher used a statistical test and a graph to present the data.

RESULT AND DISCUSSION

Table: 1 Economic growth of Automobile industry market and market share (%) by segment 2017-2022.

Automobile industry	Mean	Std. Deviation	F-ratio	Sig.
Commercial vehicles	20.13	4.26	5.34	0.01
Three wheelers	17.69	2.24		
Passenger vehicles	16.24	1.85		
Two wheelers	18.56	2.26		
Total	18.52	2.91		

The result reveals that the obtained F-ratio (5.34), which is significant at the 0.01 level, Hence, the stated hypothesis is accepted. As a result, respondents' economic growth of the Automobile industry market and market share by segment 2017-2022 differ significantly. The industry manufactures a wide range of products to meet both domestic and international demands. The result reveals that the obtained F-ratio (5.34), which is significant at the 0.01 level, Hence, the stated hypothesis is accepted. As a result, respondents' economic growth of the Automobile industry market and market share (%) by segment 2017-2022 differ significantly. The industry manufactures a wide range of products to meet both domestic and international demands.

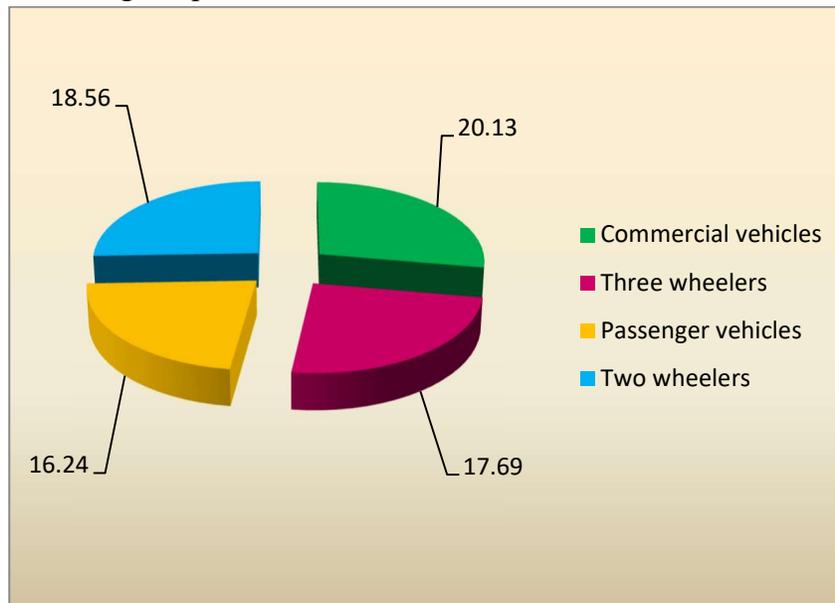


Table: 2 Comparison of the Economic growth of Automobile industry market and market share (%) by segment 2017-2022

Group	Sum of squares	df	Mean square	F-value	Sig.
Between Group	220.137	3	73.379	17.213	0.001
Within Group	2591.876	147	4.263		

Total	2812.013	150			
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Table 2 shows that four different Economic growth of Automobile industry market and market share by segment 2017-2022. The F-value (17.213) estimated is significant at 0.001 level, indicating the presence of a true difference in the group with respect to their automobile industry for economic growth.

Table: 3 Production of economic growth of automobile industry in Chennai

Items	2017-18	2018-19	2019-20	2020-21	2021-22
Passenger vehicles	23,57,411	29,82,772	31,46,069	30,87,973	32,31,058
Commercial Vehicles	567,556	760,735	929,136	699,035	832,649
Three Vehicles	6,19,194	7,99,553	8,79,289	8,30,108	8,39,748
Two Wheelers	1,05,12,903	1,33,49,349	1,54,27,532	1,68,83,049	1,57,44,156

The above table represents the **production and economic growth of the automobile industry** from 2017 to 2022. The cost-to-income ratio in the automobile industry is calculated here, and it is observed that the cost-to-production ratio of the economic growth rate has decreased in 2020-2021 as compared to 2021-2022, indicating that the cost has been increasing. is the second-largest two-wheeler market in the world. Due to the contributions of many different factors, like sales incentives and the introduction of new models and variants, coupled with the easy availability of low-cost financing with comfortable repayment options, demand and sales of automobiles are rising continuously. The main motivation for the analysis of growth is provided by two major developments in the Indian automobile sector during the last decade. The popularity of passenger vehicles and two-wheelers is growing. Passenger vehicle growth is low in comparison to other sectors.

Table: 4 Comparison of the correlation between economic growth of automobile industry

Group criterion	Statistical indicates			Z observed	Sig.
	r	r correct	Z		
Passenger vehicles	0.264	0.26	0.284	1.336	NS
Commercial Vehicles	0.093	0.09	0.098		
Three Vehicles	0.348	0.34	0.364		
Two Wheelers	0.298	0.29	0.302		

The result of the comparison of economic growth of automobile industry with respect to the coefficients of correlation between their economic growth of automobile industry shows that no significant difference is present between the groups ($Z_{observed} = 1.336$; $p > 0.05$). The economic growth is not a significant factor in discriminating based on automobile industry.

Findings of the study

- ✓ Result indicates that respondents range considerably in their financial increase of Automobile industry market and market share by using section 2017-2022. The enterprise manufactures an extensive varies of merchandise to meet each home and worldwide demands.
- ✓ Analysis proved that 4 one of a kind Economic boom of Automobile enterprise market and market share by using phase 2017-2022. The F-value estimated is tremendous at 0.001 level, indicating the presence of a authentic distinction in the team with appreciate to their vehicle enterprise for monetary growth.
- ✓ The end result exhibits that motivation for the evaluation of increase is supplied via two predominant tendencies in the Indian vehicle zone at some stage in the final decade. Trend of passenger motors and two wheelers are Increase mode. Passenger motors boom is low evaluation to different sectors
- ✓ Survey famous that monetary boom of car enterprise with recognize to the coefficients of correlation between their financial increase of car enterprise suggests that no huge distinction is current between the businesses ($Z_{\text{found}} = 1.336$; $p > 0.05$). The monetary increase is now not a giant thing in discriminating primarily based on automobile industry.

Conclusion

The current study seeks to understand the economic growth that benefits the automobile industry in Chennai. The automobile industry is one of the most important drivers of economic growth and has a high level of participation in global value chains. The growth of this sector has been fueled by strong government support, which has helped it carve a unique path among the manufacturing sectors. The automobiles produced in the country uniquely cater to the demands of low- and middle-income groups of the population, which makes this sector stand out among the other automobile-producing countries. The study's goal was to examine the inflow of direct investment into the automobile industry from 2017 to 2022. The study data collection for research work is based on secondary sources. For the F-test analysis used in this study, the researcher used a statistical test and a graph to present the data. The study result shows that the economic growth of the automobile industry, with respect to the coefficients of correlation between their economic growth in the automobile industry, shows that no significant difference is present between the groups ($Z_{\text{observed}} = 1.336$; $p > 0.05$). Therefore, it is concluded that motivation for the analysis of growth is provided by two major developments in the Indian automobile sector during the last decade. The reputation of passenger motors and two-wheelers is growing. Passenger automobile increase is low in contrast to different sectors. The car enterprise contributes to the enlargement of the taxable base and revenues of the country budget, develops auxiliary branches, influences scientific and technical progress, testifies to the degree of solvent demand and the preferred of residing of the populace of the u . s . a . and

a good deal more. Thus, the wonderful functioning and improvement of the automobile enterprise is essential no longer solely monetary.

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