

Days of the Amby over?

NEW DELHI, 27 JUNE: The popularity of Ambassador cars, which had enjoyed the status of India's "official vehicle" for decades, has been on the wane in government and administration circles as ministers and officials are increasingly preferring supposedly "smarter, sleeker and more luxurious" cars that have flooded the market across the country.

The production of "dependable, spacious and sturdy" Ambassadors has fallen sharply now, even as the all-weather Amby stares at the prospects of losing its brand equity as the country's official car.

The Tatas might have abandoned their Nano car facility at Singur in Hooghly district, but nearly 7,000 to 11,000 Ambassador cars are still being manufactured every year by the Hindustan Motors Ltd at Uttarpara in this district. Only 20 per cent of them are, however, being purchased by the government.

"The facility used to manufacture around 25,000 cars in the 1970s. There has been a major decline in production since then. The reason is that there are more options available now before the government and other users," said the HM's communications head, Mrs Soni Shrivastava. The stiff competition being faced by the Ambassador car from various other market players, including foreign brands, even in government quarters could be gauged by the "rate contracts (quotation price lists)" drawn up by the directorate general of supplies and disposals (DGS&D) of the Union commerce ministry. Such rate contracts are "reasonable prices" of various car models at which ministries are supposed to place their orders with their respective manufacturers. Ford and Hyundai are just a couple of high-end luxury car brands included in these lists. Even Honda City is to find its place there now.

"We are the negotiators of price for the government. Rate contracts of almost all the present manufacturers are with us. Recently we started the preparation of rate contract of Maruti SX4," said the deputy director general of supplies and disposal, Mr A K Jain. Government norms regarding the use of cars have also been revised after the vehicle market got deluged by luxury cars. "Although ministers and officials of secretary rank could have cars of any make, the officials of the rank of joint secretary and additional secretary have the option of using Ambassador or Tata Indigo," said an official of the Union ministry of home affairs (MHA). The Society of Indian Automobile Manufacturers (SIAM) said that the sale of Ambassadors might have declined but there is still public affinity for the car due to its "distinctness and utility factors". "The market share of Ambassadors is just 0.6 per cent though," said the SIAM director general, Mr Dilip Chenoy. Owing to a range of security threats posed to ministers, officials and security officers, Ambassadors, however, have still managed to hold on to some of its influence and relevance. "Ambassador is one of the few cars which can take the load of bullet-proofing. That is why ministries usually purchase Ambassadors," said Mrs Shrivastava.

The MHA official said the proposed expansion of paramilitary forces and security apparatus might push up the sale of vehicles in coming months, which, in turn, might also brighten the Amby's fate. "Recently, four Ambassadors have been procured by the ministry for the recently-constituted National Investigation Agency. More vehicles would be needed for the 2010 Delhi Commonwealth Games since a special battalion of security force is being raised by Delhi Police for the event. The insurgency-affected areas in North-East require vehicles on a regular basis too."

The official did not refute the likelihood of a sizeable number of Ambassador cars having been booked by the paramilitary forces even before Budget allocations. "The expenditure for security cannot wait for Budget announcements."

"The HM has got orders in hand for 250 Ambassadors which have to be dispatched," said Mrs Shrivastava, although she declined to give their details.

The tightening of the government's budget strings could also be a reason for the decline in the demand of Ambassadors. "According to government rules, no car could be replaced unless some criteria are met. The car should be older than 10 years and it should have covered a distance of 1 lakh km, among others," said an official, adding that the hiring of cars is also being done to check "unnecessary" expenditure.