



Automotive Industry in India: Capabilities & Growing Opportunities

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Deputy Executive Director, ACMA

25th May, 2016

Agenda

- About ACMA
- India: A Vibrant Economy
- Automotive Industry in India
- Auto Component Industry in India
- Policy Environment
- Strengths & Challenges
- The Way Forward

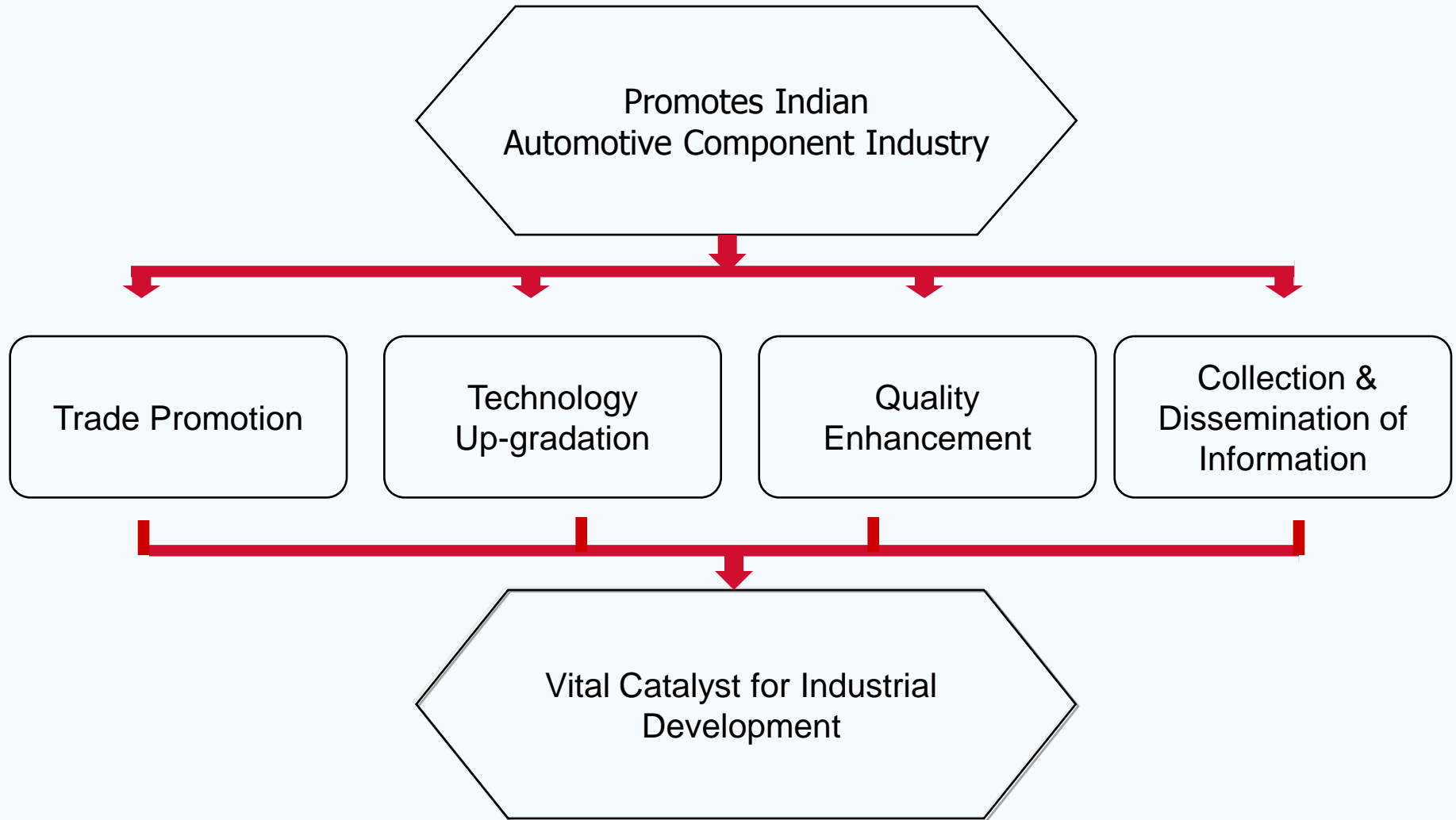


About ACMA

About ACMA

- Established in 1959
- Apex body of Auto Component Industry in India
- Over 700+ members from the Organized sector
- Represents 85% of the Industry by turnover
- Represented on all Government and Industry bodies –
- Strategic to the Auto Sector
- Offices across all Regions in the Country
- An ISO 9001-2008 Institution

ACMA Services



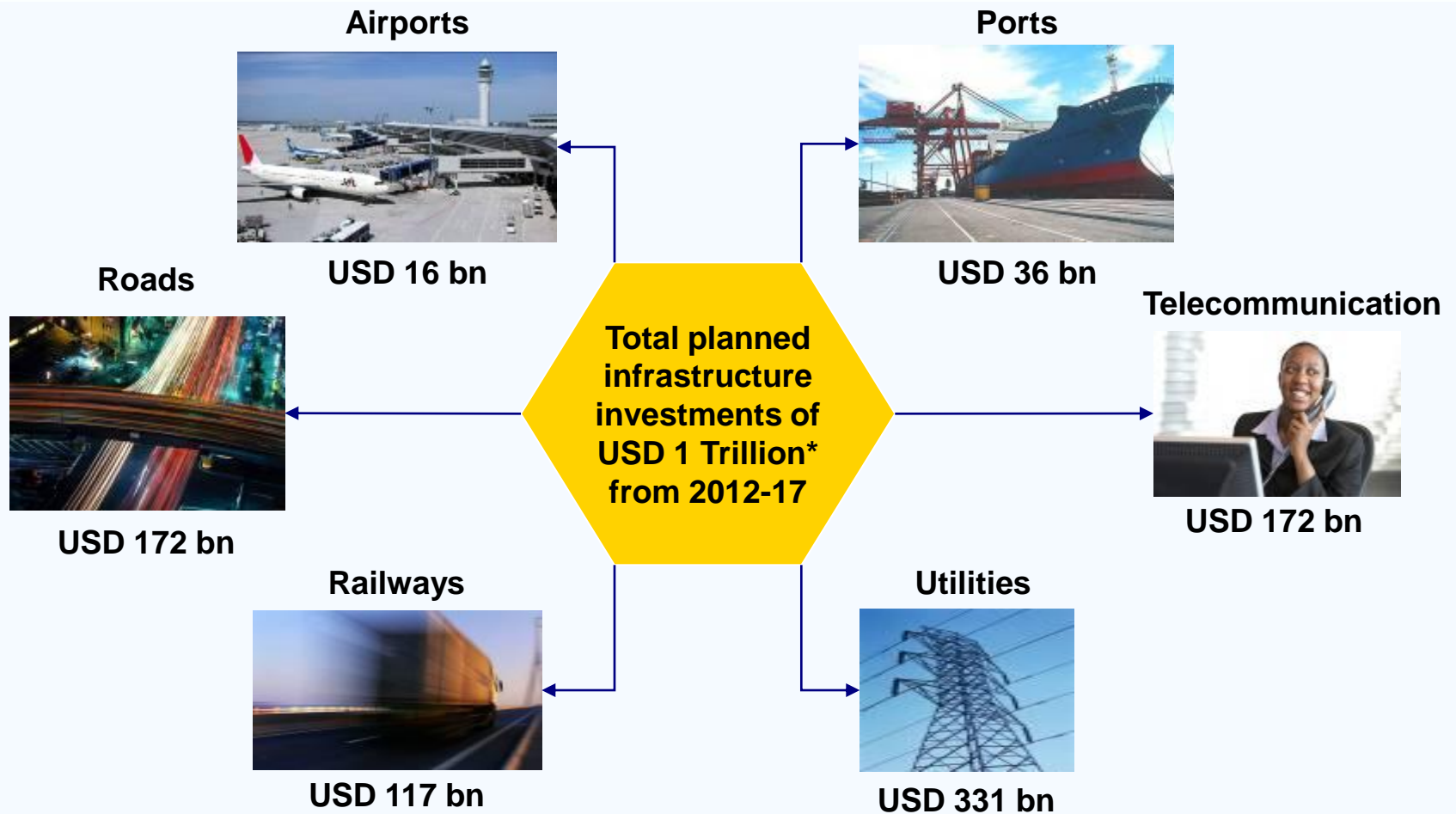


India: A Vibrant Economy

India: A Vibrant Economy

1. Largest Democracy – 1.2 billion people, Growing Middle Class
2. 3rd largest GDP (PPP) and 10th largest GDP (Nominal, USD 1.8 trillion)
3. One of the fastest growing economies - Estimates for 2014-15: ~ 7.5%
 - India's average GDP growth rate: 7% over past 5 years
 - Expected to outpace China in the next decade
4. 3rd Largest Investor base in the World
5. Robust Legal and Banking Infrastructure
6. Demographics Advantage – Youth driven economy
7. Suburbanization & Rural to Urban Migration – 140 million by 2020; 700 million by 2050
8. 2nd largest pool of Certified Professionals and highest number of Qualified Engineers in the world
9. Investment in Infrastructure

Infrastructure Development – A Special Thrust



Source: * Also includes Irrigation, water supply and sanitation, storage & gas pipelines, irrigation, water supply Source: Planning Commission



Automotive Industry in India

Automotive Clusters in India

Eicher
Escorts
Hero Moto Corp
Honda Motorcycle
Honda SIELCars
ICML
JCB

Maruti Suzuki
New Holland
Mahindra
Suzuki Motorcycles
Swaraj Mazda
Tata Motors
Yamaha

North

*New Hub: Sanand
Tata Motors, Maruti, Ford India

West

Bajaj Auto
Fiat
Force Motors
GM
John Deere
Mahindra
Man Force

Mercedes Benz
PSA
Skoda
Tata Hitachi
Tata Motors
Volkswagen
Volvo Eicher

South

Ashok Leyland
BMW
Caterpillar
Daimler
Ford
Hyundai
Nissan

East

Tata Motors

Renault
Royal Enfield
Same Deutz
TAFE
Tata Motors
Toyota Kirloskar
TVS
Volvo Buses

(Illustrative List)

Significant Manufacturing base of OEMs – Indian & Global

OEM

Where does India stand Globally?

Largest TRACTOR manufacturer

Largest TWO WHEELER manufacturer

2nd Largest BUS manufacturer

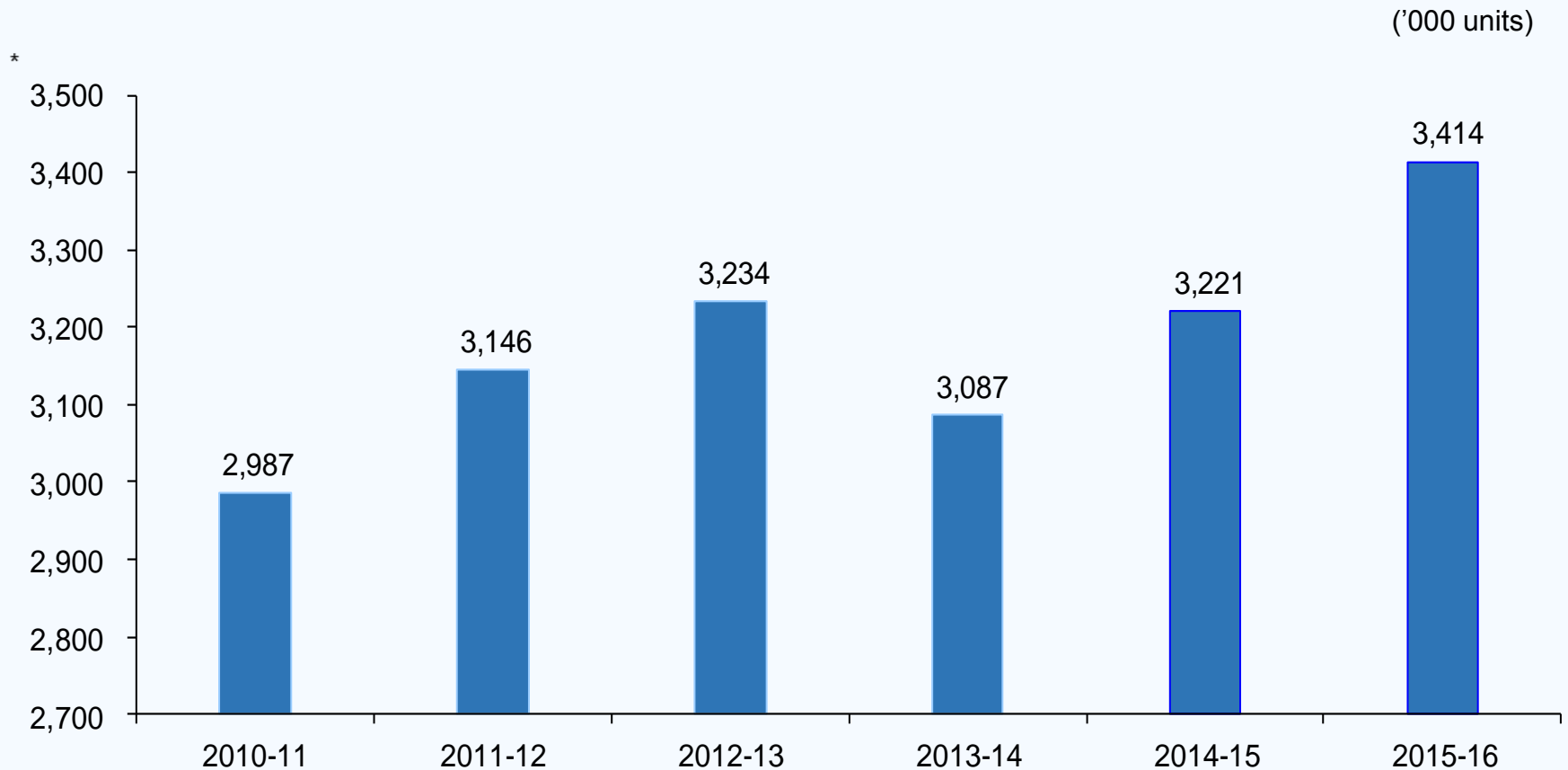
5th Largest HEAVY TRUCK manufacturer

6th Largest CAR manufacturer

8th Largest COMMERCIAL VEHICLE manufacturer

Passenger Vehicles Production

■ CAGR 2011-15: 2%

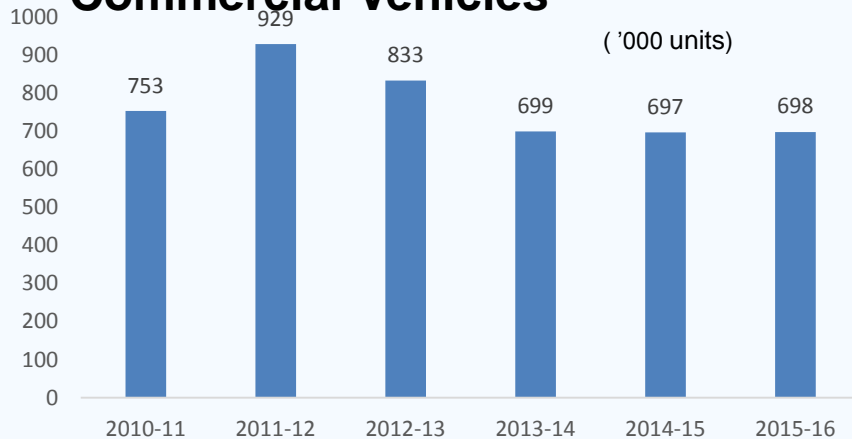


Source: SIAM

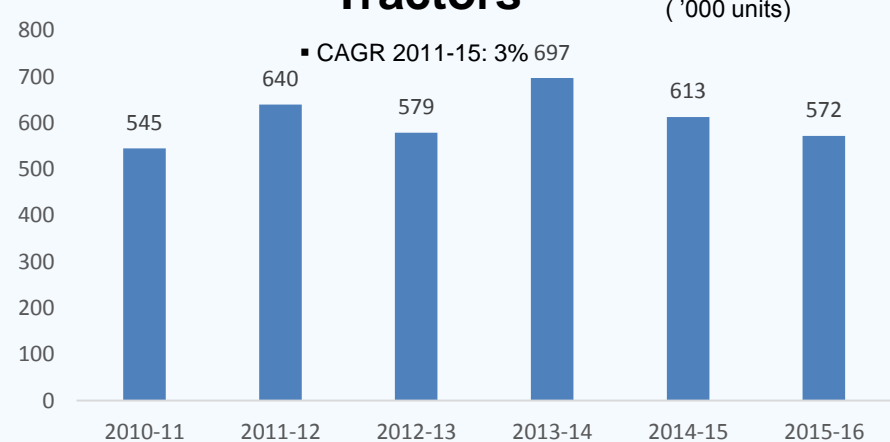
Figures for financial year – April to March

Other Vehicles Production

Commercial Vehicles



Tractors



Commercial Vehicles include:

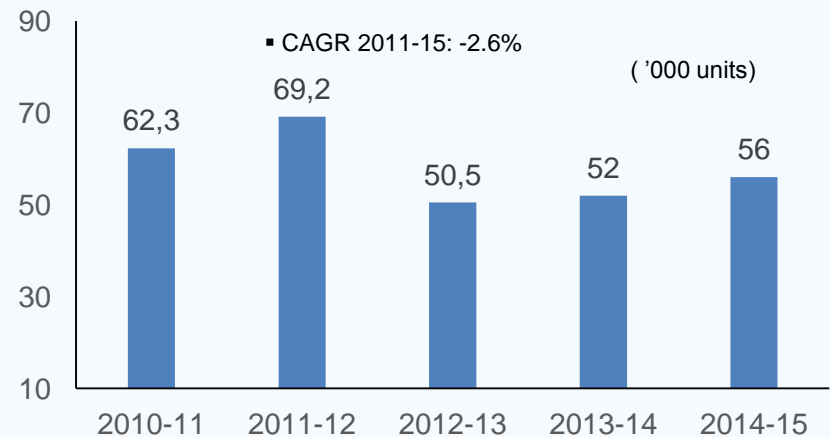
- Small Commercial Vehicles (SCV) < 1 ton
 - Light Commercial Vehicles (LCV) > 1 ton but < 7.5 tons
 - Medium Commercial Vehicles (MCV) > 7.5 tons but < 16 tons
 - Heavy Commercial Vehicles (HCV) > 16 tons
- ** 2015-16 Figures Awaited

(In '000 units)

Two & Three Wheelers



Construction Vehicles*



* E&Y Estimates

** 2015-16 Figures Awaited

Vehicles Exported from India



Maruti - Alto



Maruti - A Star



Tata - Indica



Mahindra - Bolero



Hyundai - i10



Hyundai - EON



Hyundai - i20



Nissan - Micra



Volkswagon - Polo



Bajaj Auto - Pulsar



Hero MotoCorp – Splendor

*(Illustrative List)*¹⁴

Vehicles Exported from India



Mahindra - Maxx



Mahindra - Alfa



Mahindra - Gio



Piaggio - Ape



Bajaj - Auto



Tata - Magic



Tata



Mahindra



Ashok Leyland

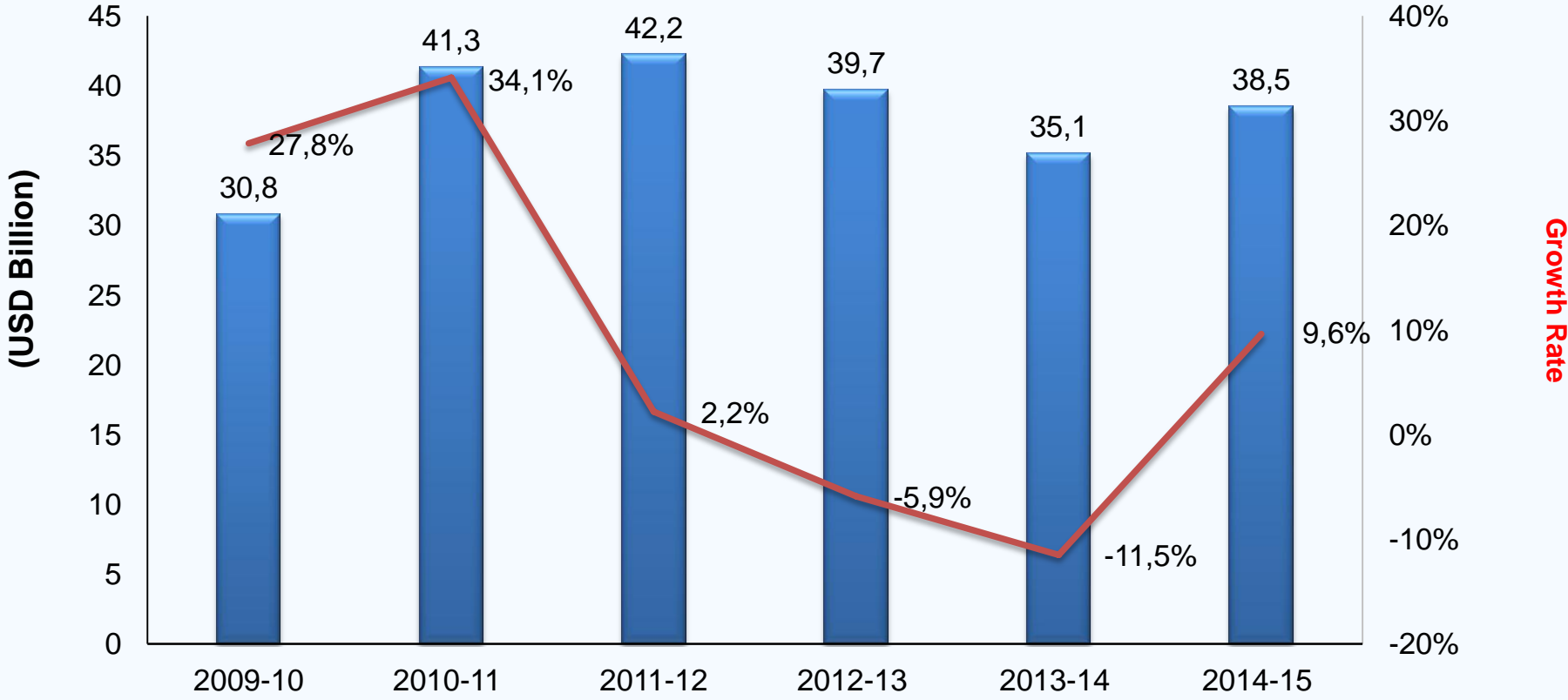
(Illustrative List)



Auto Component Industry in India

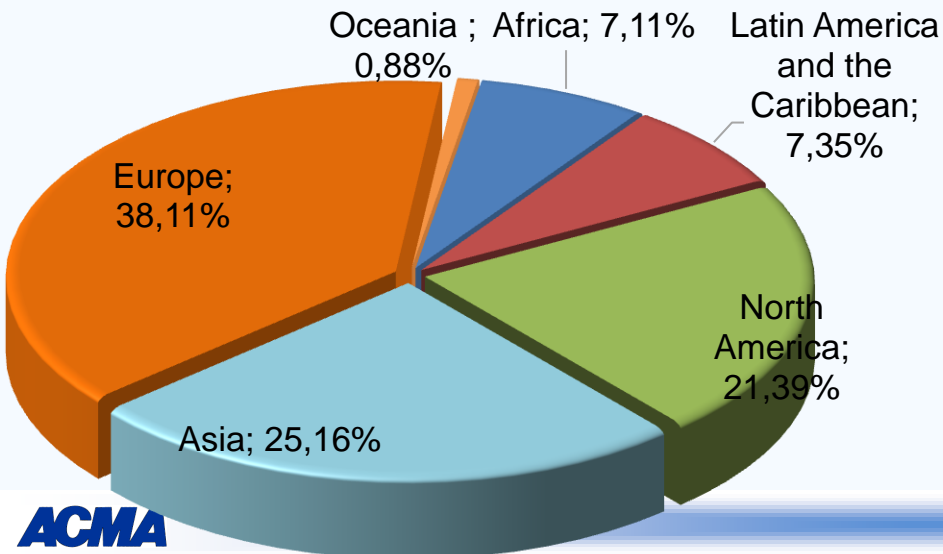
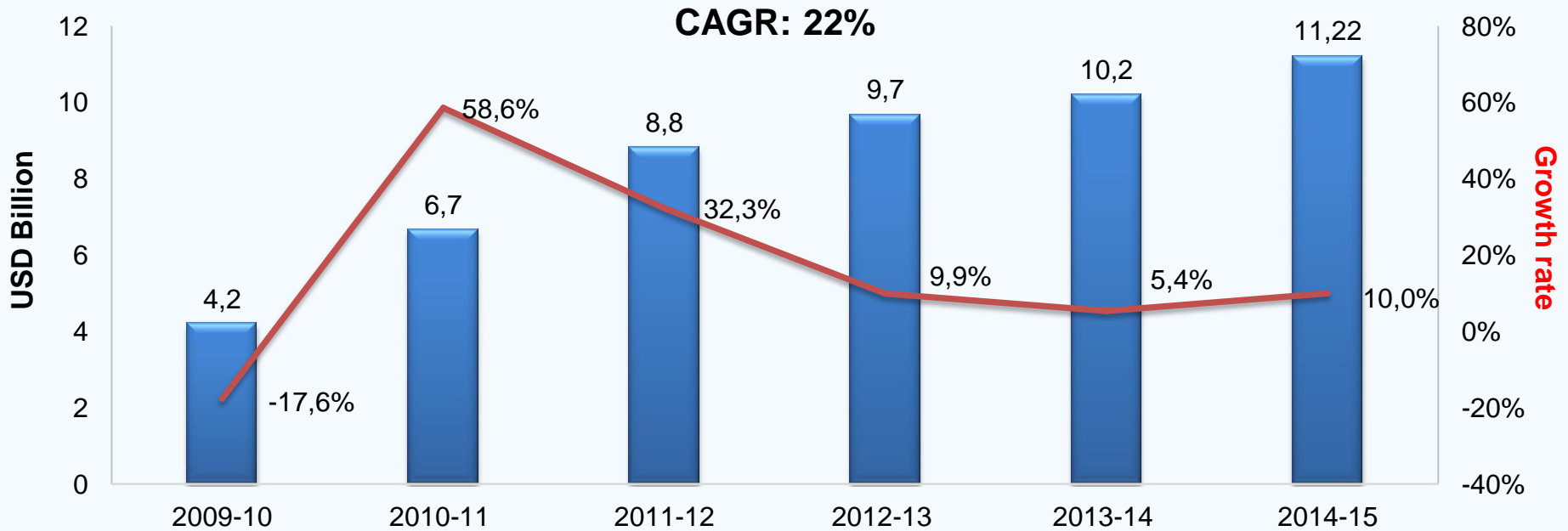
Turnover - Auto Component Industry: 2010-15

**CAGR:
2010 -15: 5%**



(Turnover includes supplies to OEMs, aftermarket sales and exports)

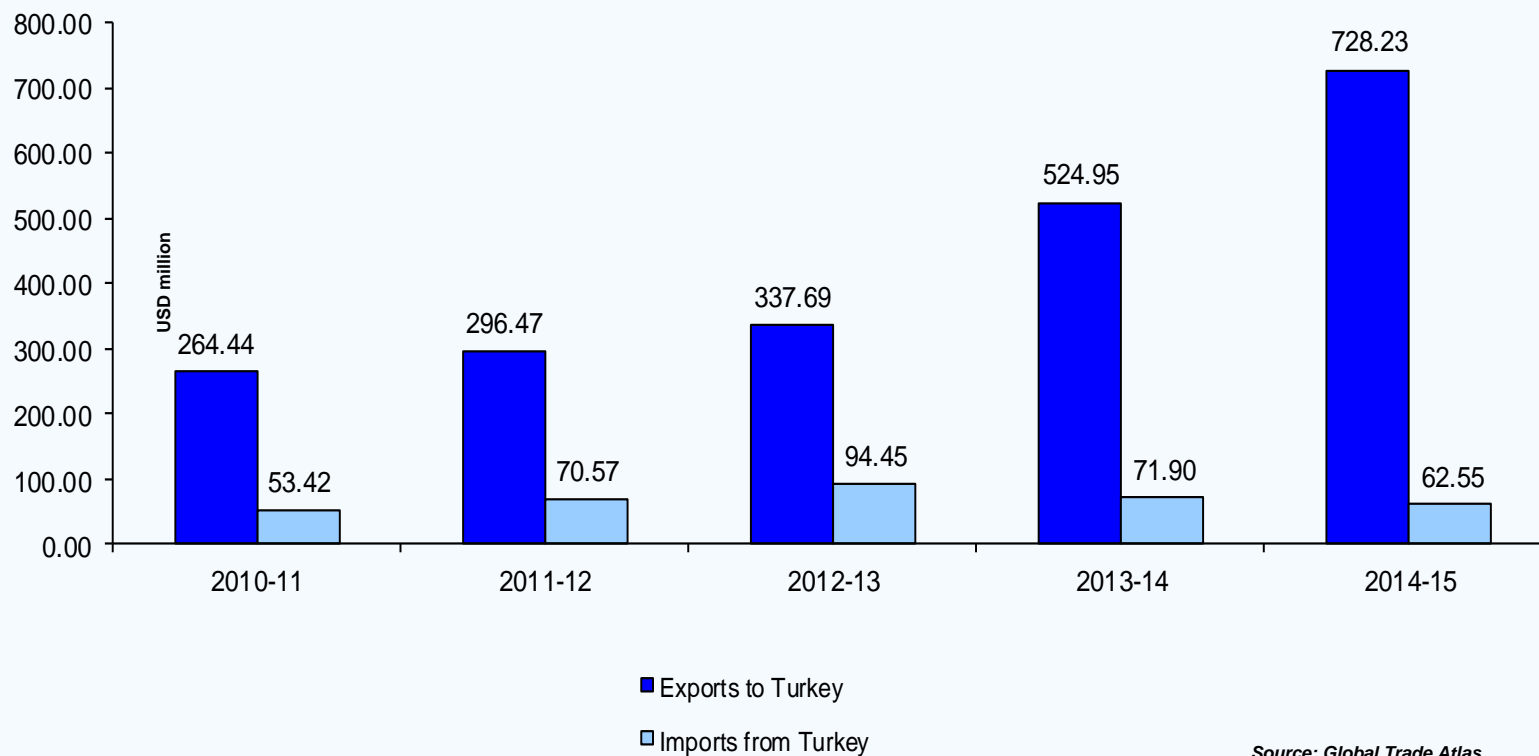
Exports - Auto Component Industry: 2010-15



Exports Destinations: Top 10 Countries

USA	22.35	Thailand	3.38
Germany	7.51	Brazil	3.37
Turkey	6.49	China	3.07
UK	5.43	UAE	2.95
Italy	4.79	France	2.92

Indo- Turkey Auto Component Trade



Source: Global Trade Atlas
(GTA)

Components Exports Globally

Drive Transmission & Steering:

- Clutch Assembly
- Clutch Plate
- Crown Wheel Pinion
- Drive Axle Shaft
- Power Steering Universal Joint
- Drive Shaft Slip Yoke
- Spider Kit
- UJ Cross
- Ball Suspension Joints
- Control Arm

Suspension & Braking:

- Brake Pads / Lining / Shoe
- Master Cylinder Repair Kit
- Shock Absorbers
- Struts
- Wheel Cylinder Repair Kit
- Leaf Spring

Consumables & Miscellaneous:

- Filters
- Wheel Bearing
- Wiper Blades

Engine Components:

- Pistons
- Piston Rings
- Cylinder Liners & Heads
- Engine Gaskets
- Engine Bearing & Valves
- Crank Shaft
- Chain Sprocket
- Connecting Rods
- Tappets

Electricals:

- Starter
- Alternator
- AC Condenser
- Spark Plugs and Glow Plugs
- Ignition Coils
- Control Cables
- Armature

Cooling Systems:

- Radiators
- Water & Oil Pump
- Viscous Fan Assembly

OEM/TIER 1 account for 80%; Aftermarket for 20%

(Illustrative List) 20

Increased Component Outsourcing

Over 35 IPOs of Global OEMs & Tier 1 Procuring from India

OEMs

- BMW
- Caterpillar
- Ford
- FIAT
- GM
- John Deere
- Kubota
- MAN
- Mercedes-Benz
- Nissan
- Peugeot
- Renault
- Toyota
- Volkswagen

Tier 1 Component Manufacturers

- Bosch
- Continental
- Cummins
- DANA
- Delphi
- Denso
- Eaton
- Getrag
- GE
- Kohler
- Kolbenschmidt
- Magna
- Meritor
- TRW
- Valeo

(Illustrative List)

Indian components already driving on international roads



Policy Environment & Trade

Favorable Policy Regime

Auto Policy 2002 and Auto Mission Plan 2006-16 – framework for Automotive Manufacturing in India

- Manufacturing and Imports Free from Licensing and Approvals
- WTO compliant policies (no import restrictions and reduced tariff levels)
- Robust Legal system and stable Foreign Exchange regime
- Joined UN-ECE WP 29 for Global Standard in Technology
- Increased budgets for R&D activities
- 100% FDI permitted without prior Govt. approval



**Robust Indian
Automotive
Industry**



The Make in India program includes major new initiatives designed to facilitate investment, foster innovation, protect intellectual property, and build best-in-class manufacturing infrastructure.

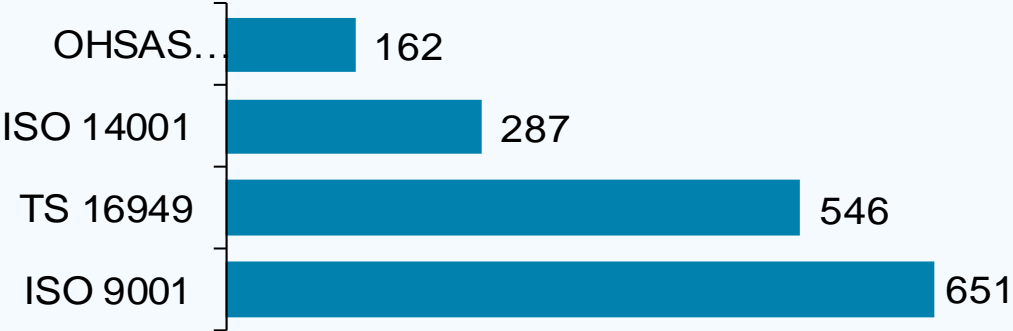
“Come, Make In India”- Hon’ble Mr Narendra Modi, Prime Minister of India



Strengths & Challenges of Indian Component Suppliers

Indian Suppliers' Focus – Global Best Practices

Focus on Quality



Industry fast embracing modern shop-floor practices:

- 5-S; 7-W
- Kaizen
- TQM
- TPM
- 6 Sigma
- Lean Manufacturing



Deming Award - 14



Japan Quality Medal - 5



TPM Award - 15



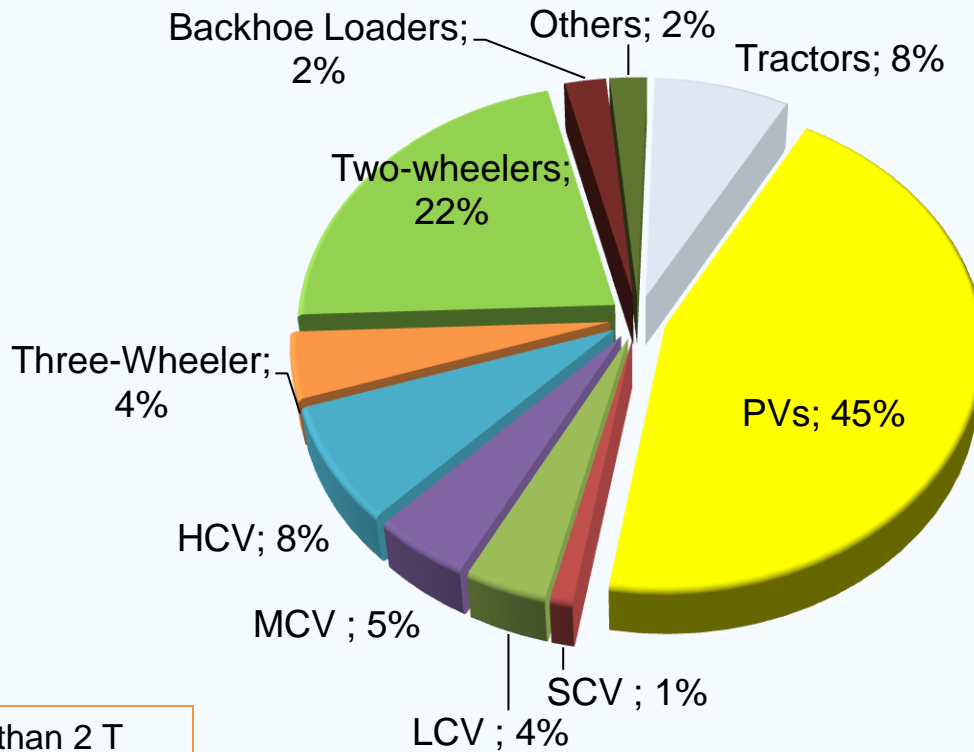
Shingo Silver Medallion - 2



JIPM - 3

Largest no. of Deming Award winning companies outside Japan

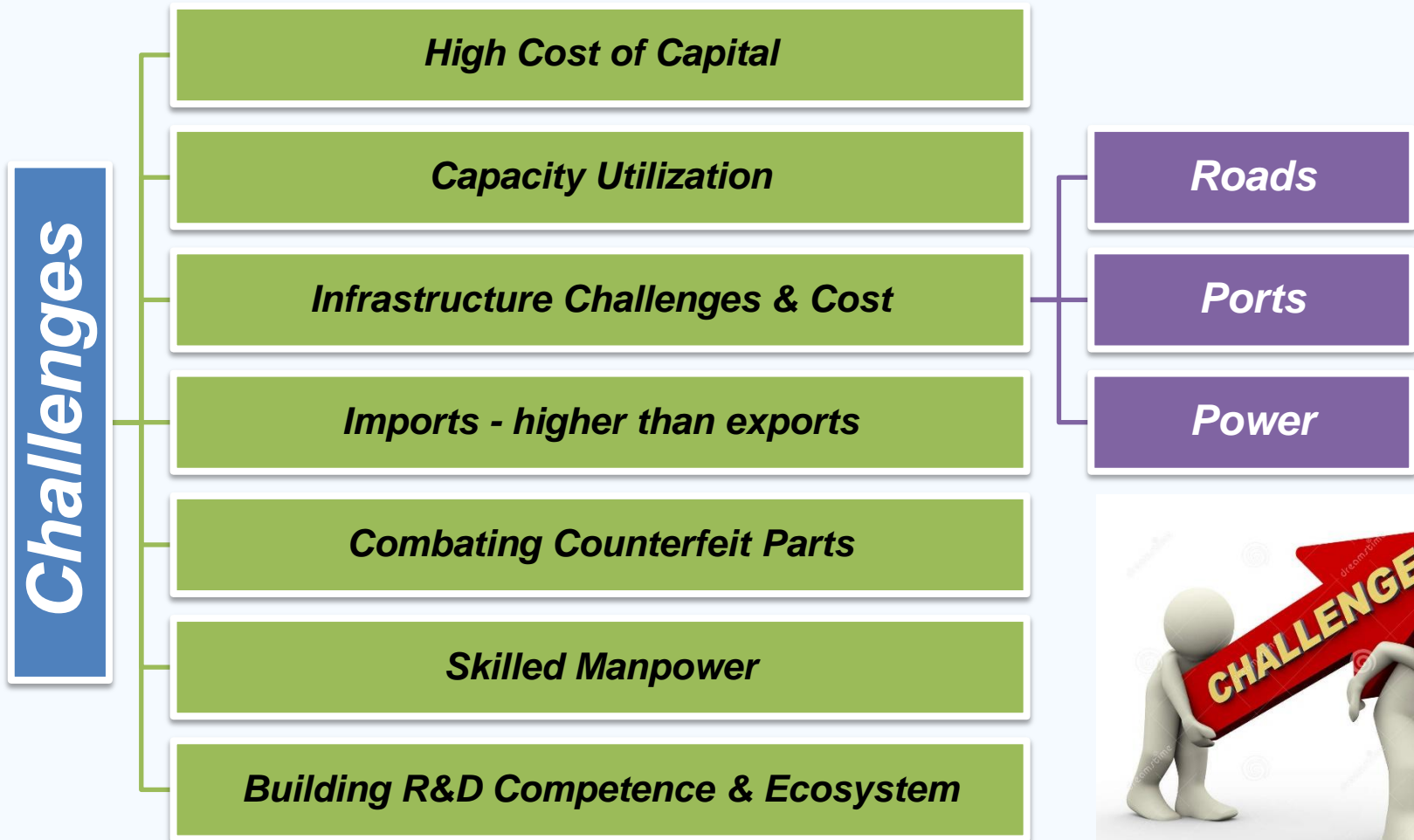
Auto Components Supply to OEMs



SCV	Less than 2 T
LCV	2 to 7.5 T
MCV	7.5 to 16 T
HCV	More than 16 T

OEMs consumption includes locally produced Components and Imports

Challenges



Increasing focus on Innovation and Research

Design & Research Centers of leading Global companies in India

- **AMD**
- **Boeing**
- Bosch
- Caterpillar
- Continental
- Cummins
- Ford
- GM
- **GE**
- Honda
- Honeywell
- Hyundai
- **Intel**
- Magna
- Mercedes Benz
- **Microsoft**
- Renault Nissan
- Suzuki
- Valeo

(Illustrative List)



The Way Forward

Conclusion

- Vibrant Indian Economy
- 2020: USD 115 billion Auto Component Industry
- Growing Engineering and IT capability for Designing & Manufacturing
- Respect for IPR
- Opportunity to serve partnerships with Indian suppliers for servicing the Global and Domestic Markets

India: The Gateway to Growth

Please block your diary for the following:



IAutoConnect 2016, September/ October 2016: With the support from Ministry of Commerce, Government of India ACMA is organising a Reverse Buyer- Seller Meet to further enhance component exports globally. We will be hosting 150 buyers from Iran, Africa, Central & Eastern Europe (CEE), CIS, ASEAN, West Asia, Japan etc. to visit India. More than 200 ACMA Member companies will be showcasing their product offerings and manufacturing excellence

2nd Global Summit, January, 2017: After the resounding success of the first summit held in February this year, the next Global summit is being planned to be held in January 2017. Like the first summit, the second in line will also be a congregation of stakeholders from the Automotive Industry worldwide



Thank You

for any assistance contact

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