

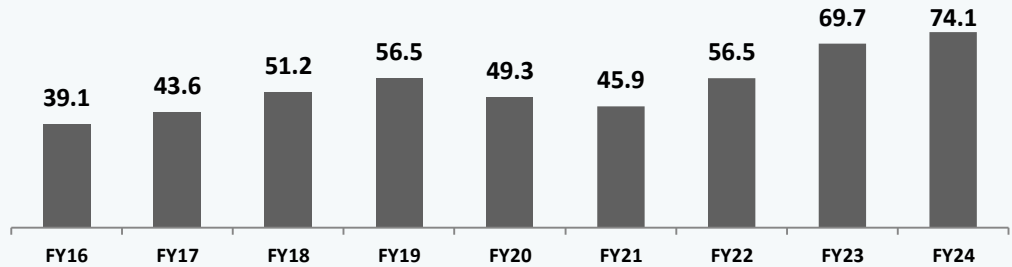


AUTO COMPONENTS



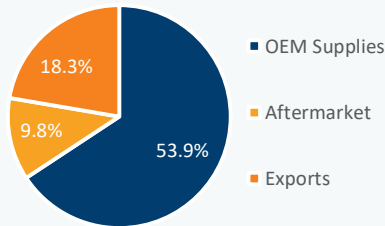
MARKET SIZE

Aggregate turnover (US\$ billion)

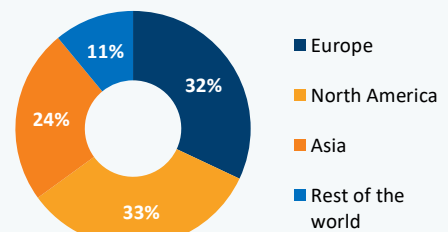


SECTOR COMPOSITION

Share in Turnover of the Auto Components Industry (FY24)

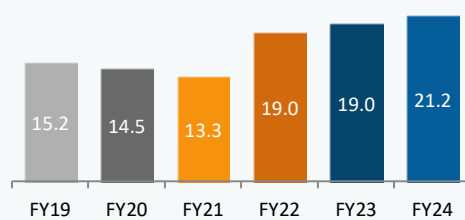


Share of Export by Geography (FY24)

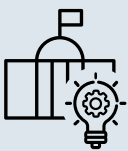
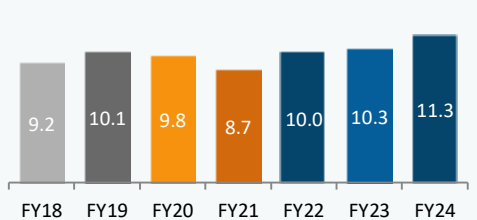


KEY TRENDS

Value of Auto Component Export (US\$ billion)



Value of Aftermarket Turnover (US\$ billion)



GOVERNMENT INITIATIVES



National Mission for
Electric Mobility 2020



NATRIP



Automotive Mission Plan 2026



ADVANTAGE INDIA

- Robust demand:** India's auto component industry is expected to attract Rs. 25,000-30,000 crore (US\$ 2.89-3.46 billion) in FY26 for capacity expansion and EV part localisation, following an estimated investment of Rs. 15,000-20,000 crore (US\$ 1.73-2.31 billion) in FY25. Growing working population and expanding middle class are expected to remain key demand drivers. Due to an ongoing shift in global supply chain, India is witnessing robust demand for auto components.
- Export Opportunities:** India is emerging as a global hub for auto component sourcing and the industry exports over 25% of its production annually. Auto component exports are expected to grow and reach US\$ 30 billion by 2026. The country's auto component exports have risen from Rs. 63,181 crore (US\$ 7.4 billion) in FY21 to Rs. 1,09,286 crore (US\$ 12.8 billion) in FY24, with a 73% surge since FY21.
- Policy support:** 100% FDI is allowed under the automatic route for auto components sector. Production Linked Incentive (PLI) schemes on automobile and auto components are expected to bring a capex of Rs. 74,850 crore (US\$ 9.58 billion) in the next five years. In January 2024, the Union Finance Ministry allocated Rs. 1,500 crores (US\$ 180.3 million) to the second phase of India's FAME-II program.
- Competitive Advantages:** India surpassed Japan, making it the third-largest market in the automobile industry, valued at Rs. 22 lakh crore (US\$ 261.53 billion). A cost-effective manufacturing base keeps costs lower by 10-25% relative to operations in Europe and Latin America.