

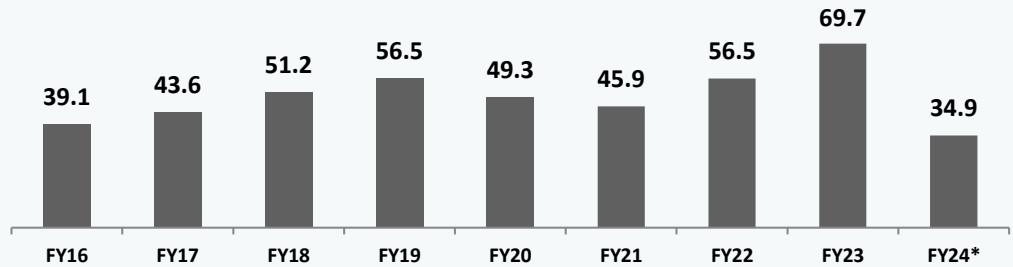


AUTO COMPONENTS



MARKET SIZE

Aggregate turnover (US\$ billion)

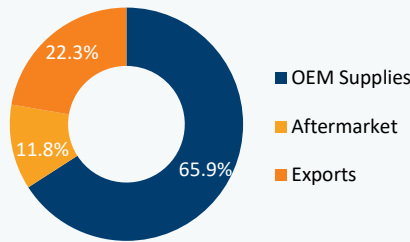


Note: * - April 2023- September 2023

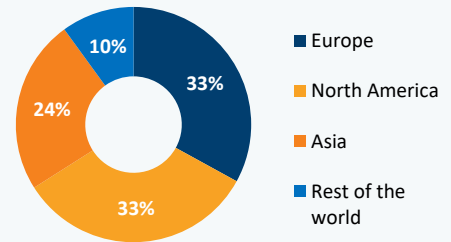


SECTOR COMPOSITION

Share in Turnover of the Auto Components Industry (FY23)

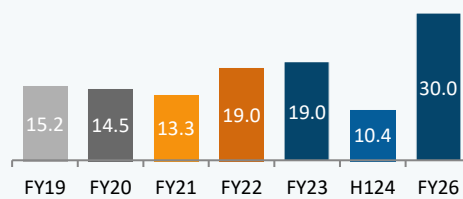


Share of Export by Geography (H124)

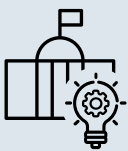
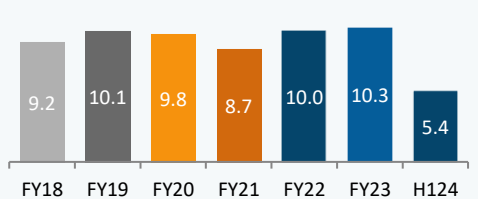


KEY TRENDS

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:** 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. The Indian Auto component Industry is expected to reach US\$ 200 billion by 2026 from US\$ 70 billion achieved in FY23.
- 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. By FY28, the Indian auto industry aims to invest Rs. 58,000 crore (US\$ 7 billion) to boost localization of advanced components like electric motors and automatic transmissions, reducing imports and leveraging 'China Plus One' trend.
- 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. On January 2, 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:** A cost-effective manufacturing base keeps costs lower by 10-25% relative to operations in Europe and Latin America. India is emerging as a global auto component sourcing hub due to its proximity to key automotive markets such as ASEAN, Europe, Japan and Korea.