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| **Automotive Component Manufacturers Association of India** |

**Press Release**

**Indian Auto Component Industry clocks turnover of Rs. 1.19 lakh crore (USD 15.9 billion), de-grows 34 per cent in first half of 2020-21**

* ***Industry net foreign exchange positive for the first time ever***
* ***Exports at Rs.39,003 crore (USD* 5.2 *billion) decrease by 23.6 per cent***
* ***Imports at Rs.37,710 crore (USD* 5.0 *billion) decrease by 32.7 per cent***
* ***Industry cautiously-optimist about near to mid-term future prospects***

**New Delhi; 16 December 2020**: Automotive Component Manufacturers Association of India (ACMA), the apex body representing India’s Auto Component manufacturing industry today announced the findings of its Industry Performance Review for the first half of fiscal 2020-21. The turnover of the automotive component industry stood at Rs.1.19 lakh crore (USD 15.9 billion) for the period April 2020 to September 2020, registering a de-growth of 34 per cent over the first half of the previous year.

Commenting on the performance of the auto component industry in India, **Vinnie Mehta, Director General, ACMA** said*, “The auto industry witnessed a downturn in FY2019-20, the situation further aggravated with the outbreak of the pandemic and the lockdown. While the first quarter for FY20-21 was significantly stressed, however with unlocking of the economy, the sales of vehicles witnessed improvement, month-on-month, in the second quarter. The component industry, in tandem, posted a subdued performance with de-growth of 34 per cent over the first half of the last fiscal, registering a turnover of Rs.1.19 lakh crore (USD 15.9 billion). However, for the first time ever, the industry witnessed a trade surplus with Auto Component exports at Rs.39,003 crore (USD 5.2 billion) and imports at Rs.37,710 crore (USD 5.0 billion); both exports and imports declined by 23.6 per cent and 32.7 per cent respectively. The Aftermarket, estimated at Rs. 31,116 crore, also witnessed de-growth of 15 per cent. Component sales to OEMs in the domestic market contracted the most to Rs.87120 crore (USD 11.6 billion), declining 42 per cent”.*

Sharing his insights on the performance of the auto component industry**, Deepak Jain, President, ACMA** said, *“In the backdrop of the pandemic and the lockdown, the automotive industry faced unprecedented challenges in the first-half of FY 2020-21. The auto component industry, through agility, flexibility and financial discipline, has displayed remarkable resilience and has comeback strongly with the unlocking of the economy. I am thankful to the OEMs for their support and for the timely intervention by the Government, especially in addressing the supply side challenges. Going forward, whilst the performance of the industry during the festive season has been heartening, there are indications that the vehicle demand, in the coming months, will be sustained. This, together with the increased focus by the auto industry on deep-localisation and the recent announcement of PLI schemes for the automotive sector and cell/battery manufacturing by the Government, augur well towards making the auto-component industry a self-reliant one. We are also hopeful that the Government would consider PLI or appropriate manufacturing schemes for auto-electronics and xEV components as well.”*

Elaborating on the mood of the industry and outlook for the near to mid-term future, **Jain** mentioned, *“According to the recent ACMA-PwC joint survey of ACMA leadership, despite concerns of another wave of pandemic, the industry is cautiously optimistic about the prospects of the Indian economy and the automotive sector for FY2021-22. Companies have mostly recovered and are back to moderate financial health, post the lockdown. Financially healthy and growth focused companies are also actively focusing on CAPEX and acquisition / merger opportunities. While increased visibility and commitment to new program timelines from OEMs is a key industry expectation, at an organizational level, focus on employee productivity and organization structure consolidation will be the key thrust areas.”*

**Key findings of the ACMA Industry Performance Review for H1 2019-20:**

* **Exports**: Exports of auto components declined by 23.6 per cent to Rs.39,003 crore (USD 5.2 billion) in H1 2020-21 from Rs 51,028 crore (USD 7.4 billion) in H1 2019-20. Europe accounting for 31 per cent of exports, saw a decline of 28 percent, while North America and Asia, accounting for 30 per cent and 29 per cent respectively also registered decline of 28 and 30 per cent respectively.
* The key export items included drive transmission & steering, engine components, Body/Chasis, Suspension & Braking, among others.
* **Imports**: Imports of auto components decreased by 32.7 per cent to Rs.37,710 crore (USD 5.0 billion) in H1 2020-21 from Rs.56,066 crore (USD 8.2 billion) in H1 2019-20. Asia accounted for 60 per cent of imports followed by Europe and North America, with 30 per cent and 9 per cent respectively. Imports from all geographies witnessed steep decline.

* **Aftermarket**: The aftermarket in H1 2020-21 witnessed de-growth of 15 per cent to Rs 31,116 crore (USD 4.1 billion) from Rs.36,607 crore (USD 5.3 billion) in H1 2019-20.

Note:

*Turnover data represents the entire supplies from the auto component industry (ACMA members and non-members) to the on-road and off-road vehicle manufacturers and the aftermarket in India as well as exports. This also includes component supplies captive to the OEMs and by the unorganized and smaller players.*

**About ACMA:**

The Automotive Component Manufacturers Association of India (ACMA) is the apex body representing the interest of the Indian Auto Component Industry. Its membership of over 850 manufacturers contributes more than 90% of the auto component industry’s turnover in the organized sector. ACMA is an ISO 9001:2015 Certified Association.

**For further details:**

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