

ACMA

Automotive Component Manufacturers Association of India

Press Conference



FY 2021/ FY 2020

3rd August 2021, New Delhi

FY 2021: Auto Components Industry Performance

Sales to OEMs

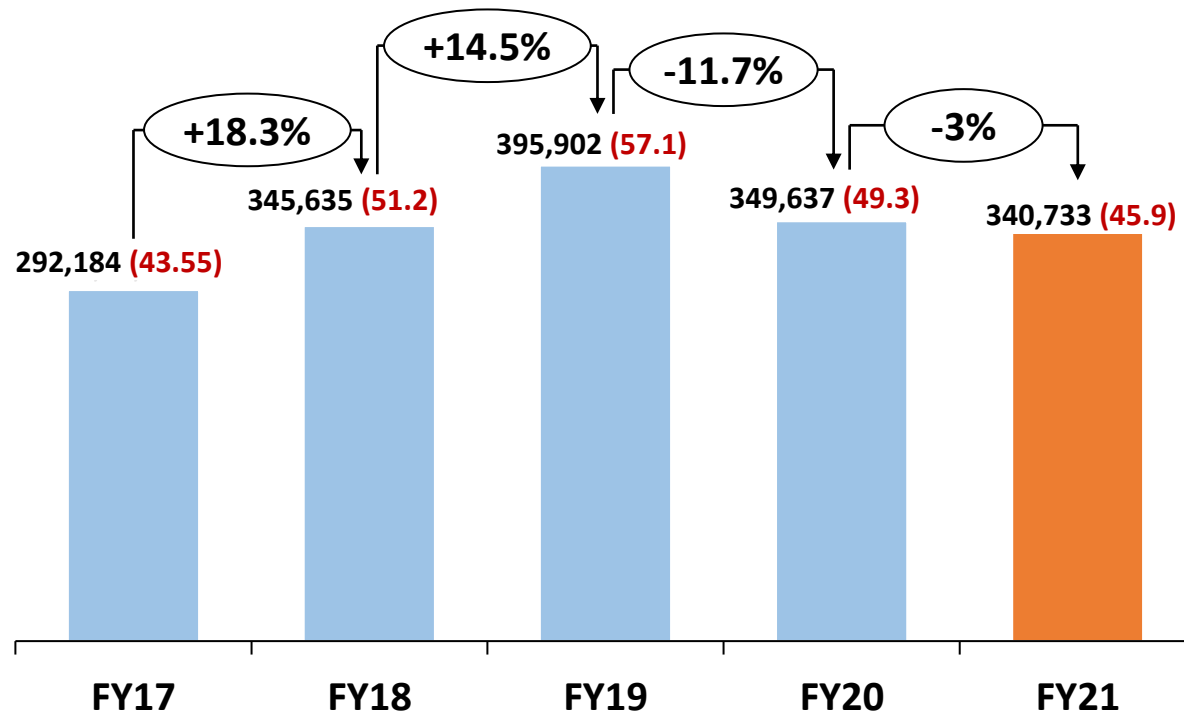
+

Aftermarket

+

Balance of Trade

Size of industry | INR Cr (USD Bn)



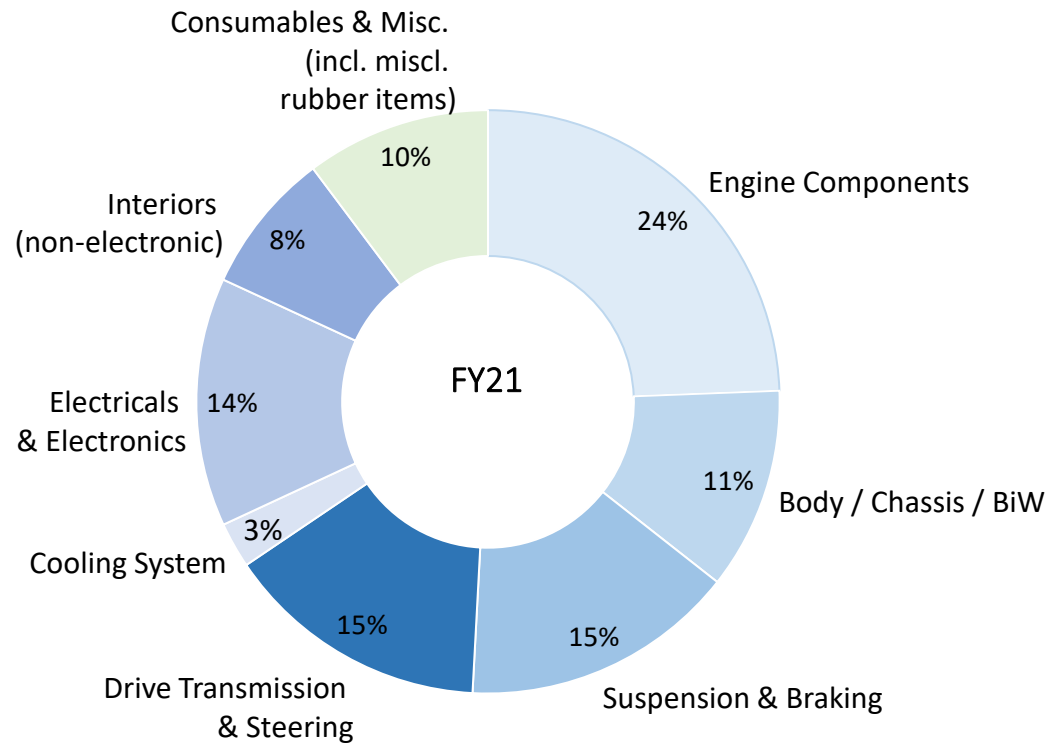
FY21 – Auto components industry performance

- Vehicle production recovery in H2 FY21 - **~1.7x** of H1 FY21
- Raw material cost per unit vehicle up by **~13%** (vs. FY20)
- Key commodities: Steel (**▲22%**) & Aluminum (**▲31%**) prices surged Y-o-Y
- Trade deficit narrowed down to **~\$0.5B in FY21** from **~\$1B** in FY20
- Rupee value **▼5%** in FY21 Y-o-Y
- Aftermarket saw a **~7%** dip; e-commerce platforms are expected to witness a spike in demand.

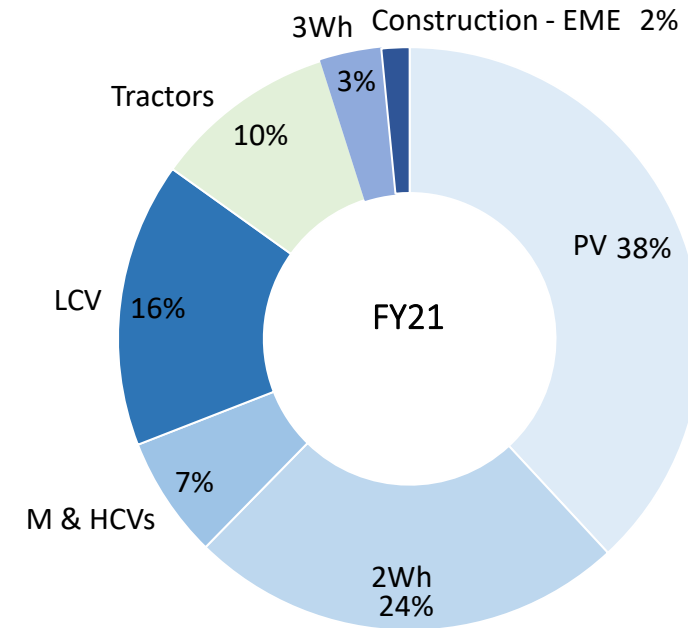
Lockdowns, health-and-safety emergency had a major impact on the Indian components industry; Healthy pick up in demand in H2

FY 2021: Sales to OEMs

Component Sales By Category:



Component Sales By segment:



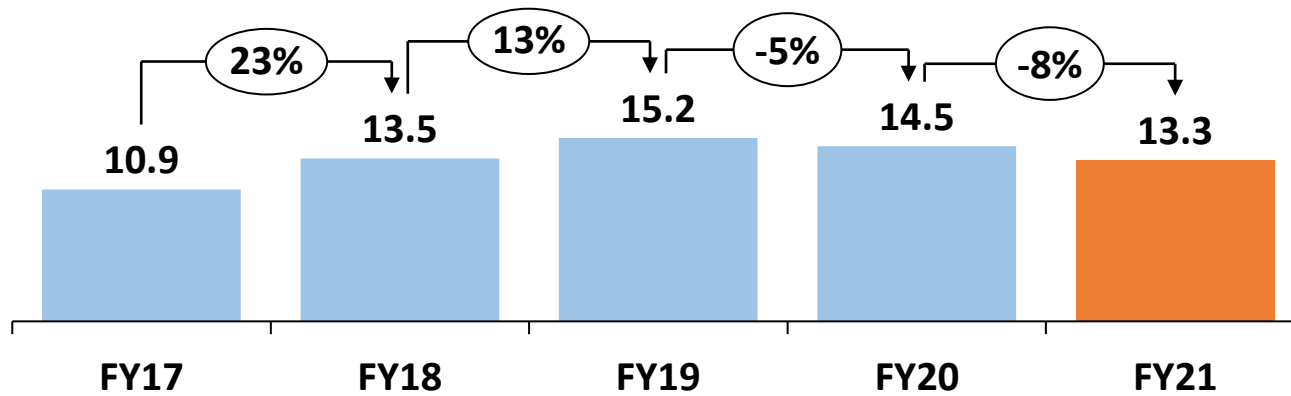
FY21 – Sales to OEMs

- Sales to OEMs declined ~3% from Rs.2.87 lakh cr. (\$ 40.5 bn) in FY20 to Rs.2.29 lakh cr. (\$37.7 bn)

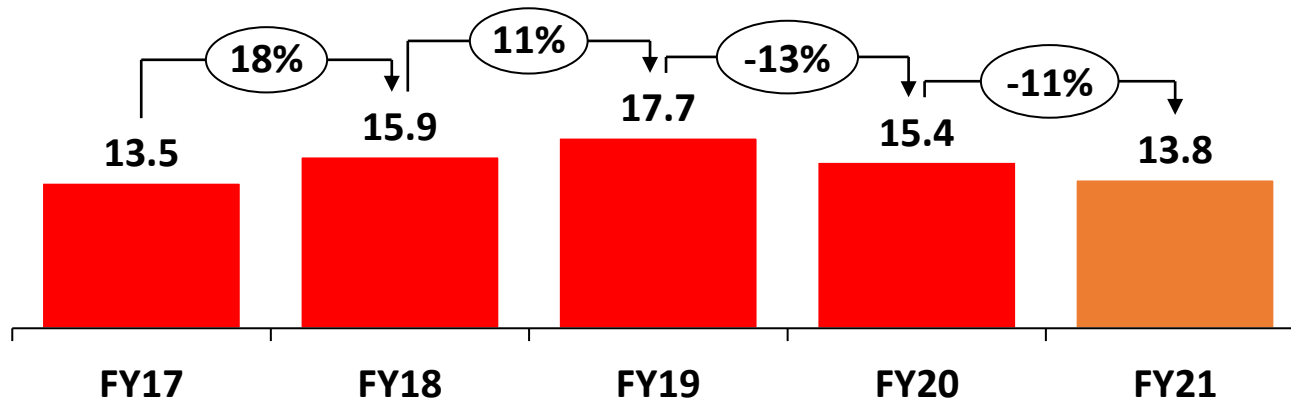
FY 2021: Exports & Imports - Balance of Trade

India's trade deficit for auto components reduced to ~ \$0.5B in FY21

Total Exports | \$ Bn.



Total Imports | \$ Bn.

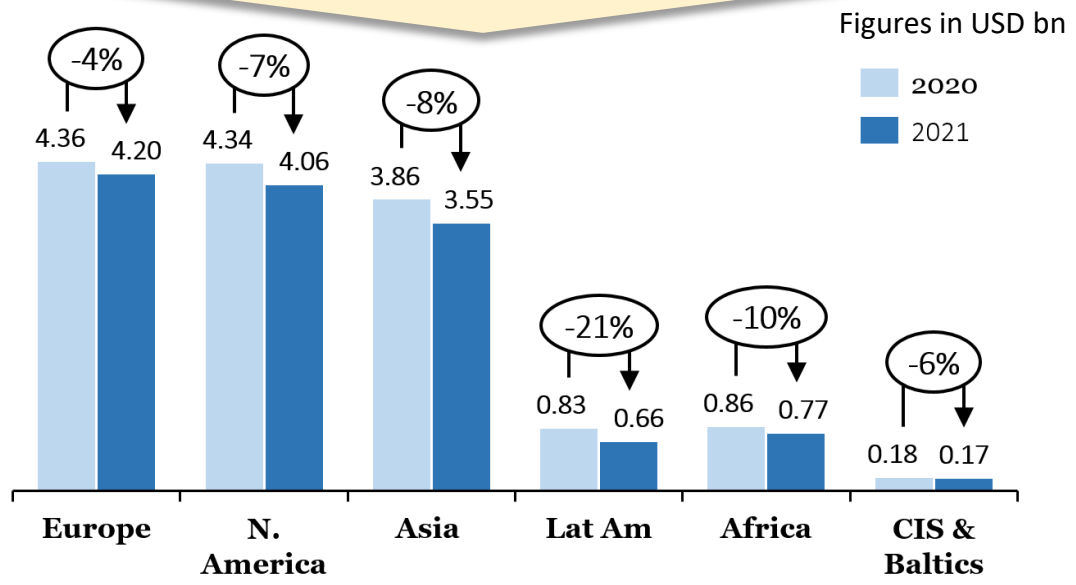
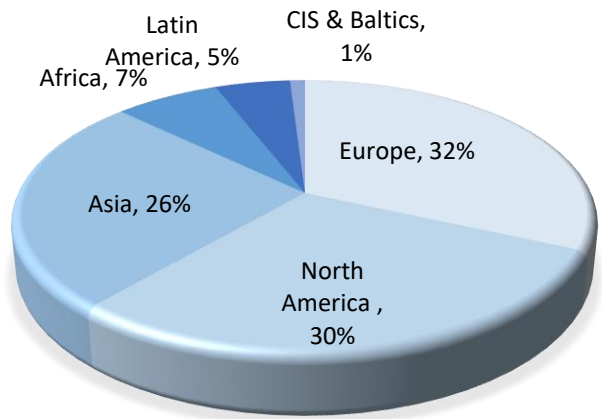


FY21 - EXIM performance

- Exports fell ~8% on account of lockdowns in major global markets (United States, Germany, Mexico). Expected to grow ~10% CAGR from FY21-FY26 (CRISIL)
- ~11% decline in imports Y-o-Y; reduced demand in the domestic market, supply chain deficiencies globally
- Government's PLI and other policies focused on export competitiveness & increasing localization to further reduce trade gap

FY 2021: Region wise Exports

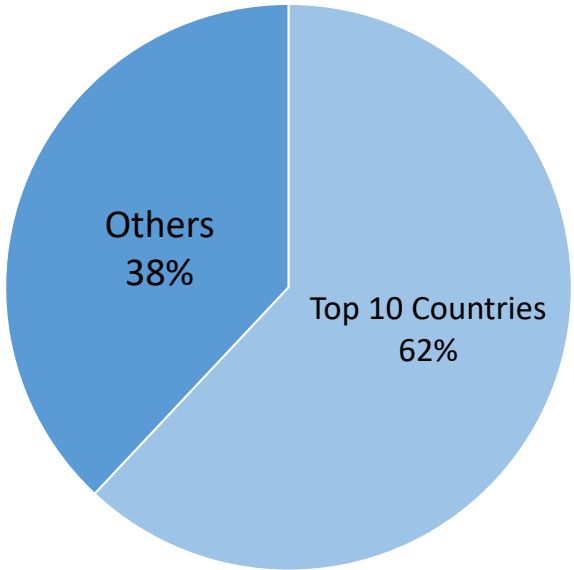
Total Exports in FY 2021
USD 13.3 Billion



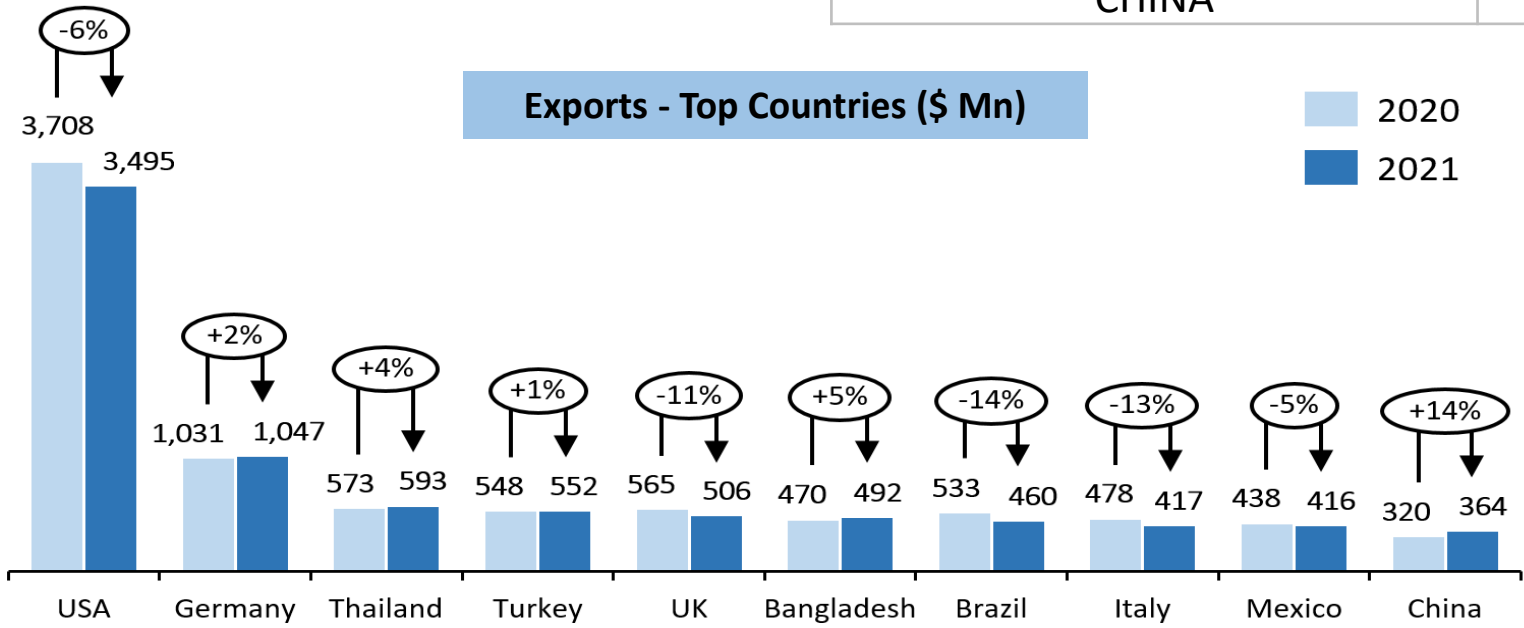
FY21 – Export performance

- The trade deficit decreased to ~\$0.5B for auto components. Exports grew strongly in H2 FY21 (~2.5x of H1)
- **Latin America** saw the biggest drop in export among all regions due to Covid-19 restrictions; **Europe and North America** remain the biggest export regions accounting for 64% of exports.
- **‘Drive Transmission & Steering’**, alongside **‘Engine’**, remain the 2 dominant segments, accounting for 52% of exports.

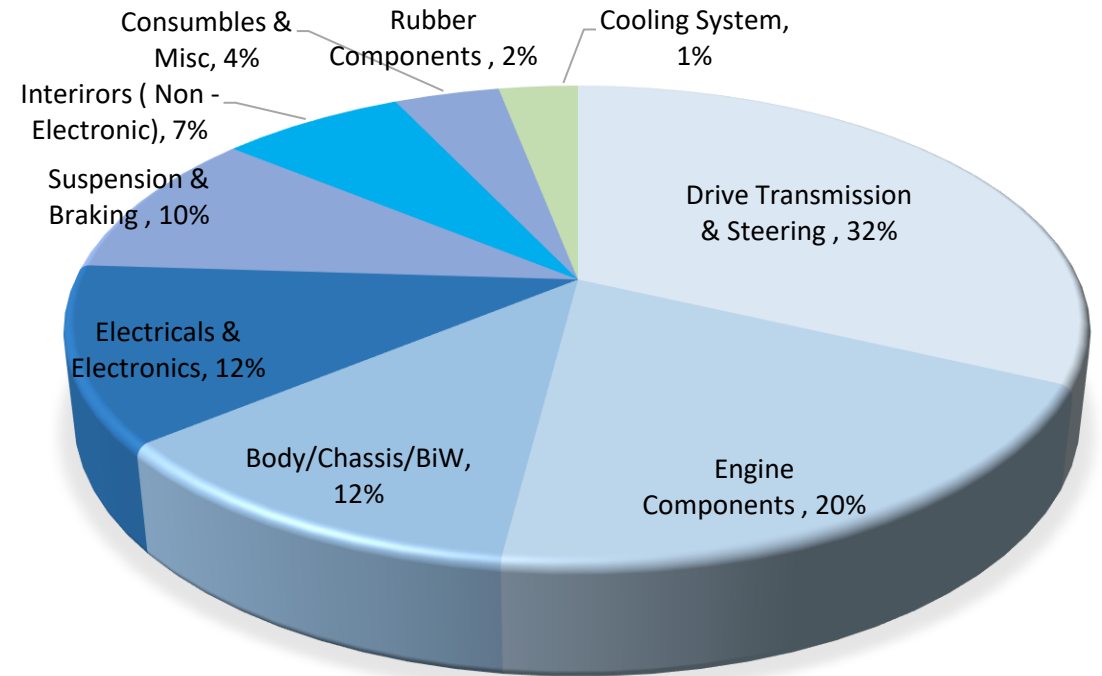
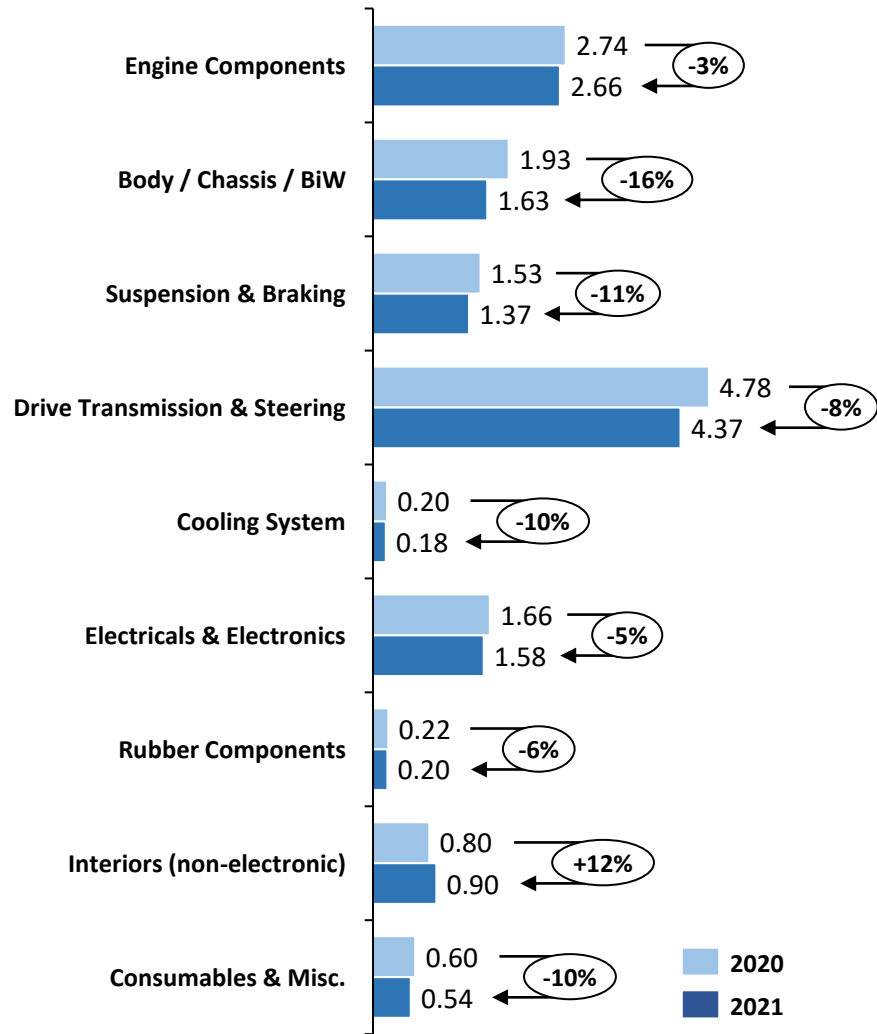
FY 2021: Country wise Exports



Top 10 Countries	Share of Ex-FY21
USA	26%
Germany	8%
Thailand	4%
Turkey	4%
United Kingdom	4%
Bangladesh	4%
Brazil	3%
Italy	3%
Mexico	3%
CHINA	3%

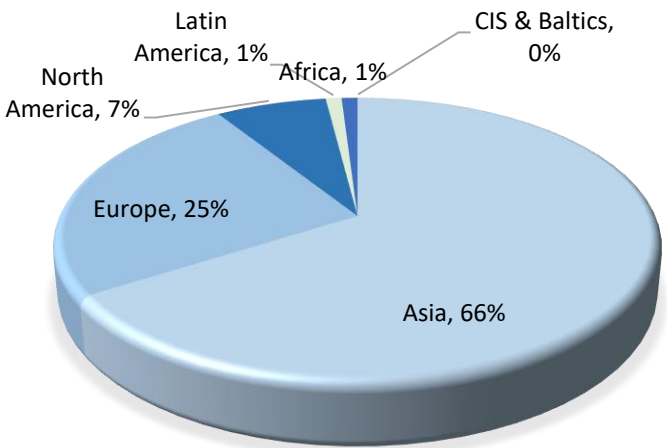


FY 2021: Exports Segmentation by Product Type



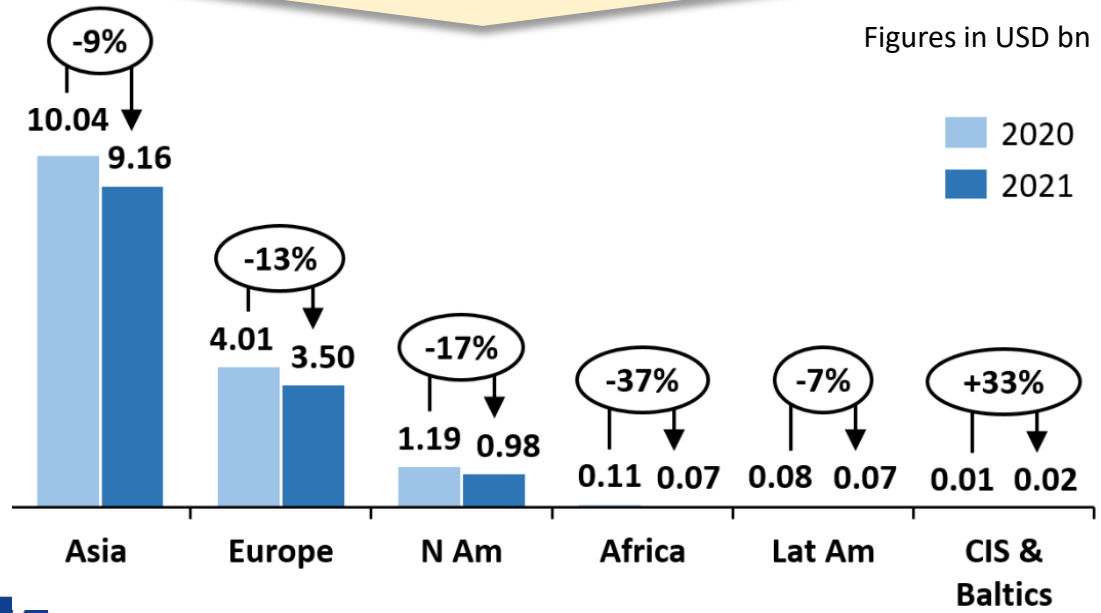
FY 2021: Region wise Imports

Total Imports in FY 2021
USD 13.8 Billion

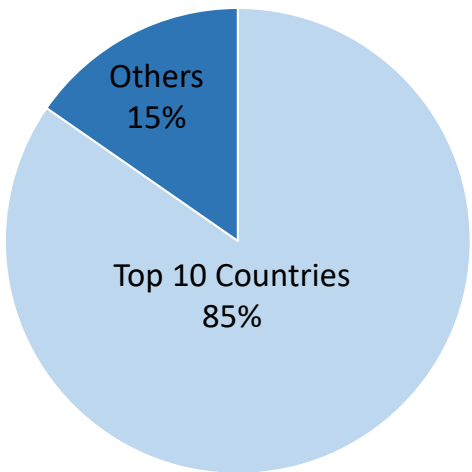


FY21 – Import performance

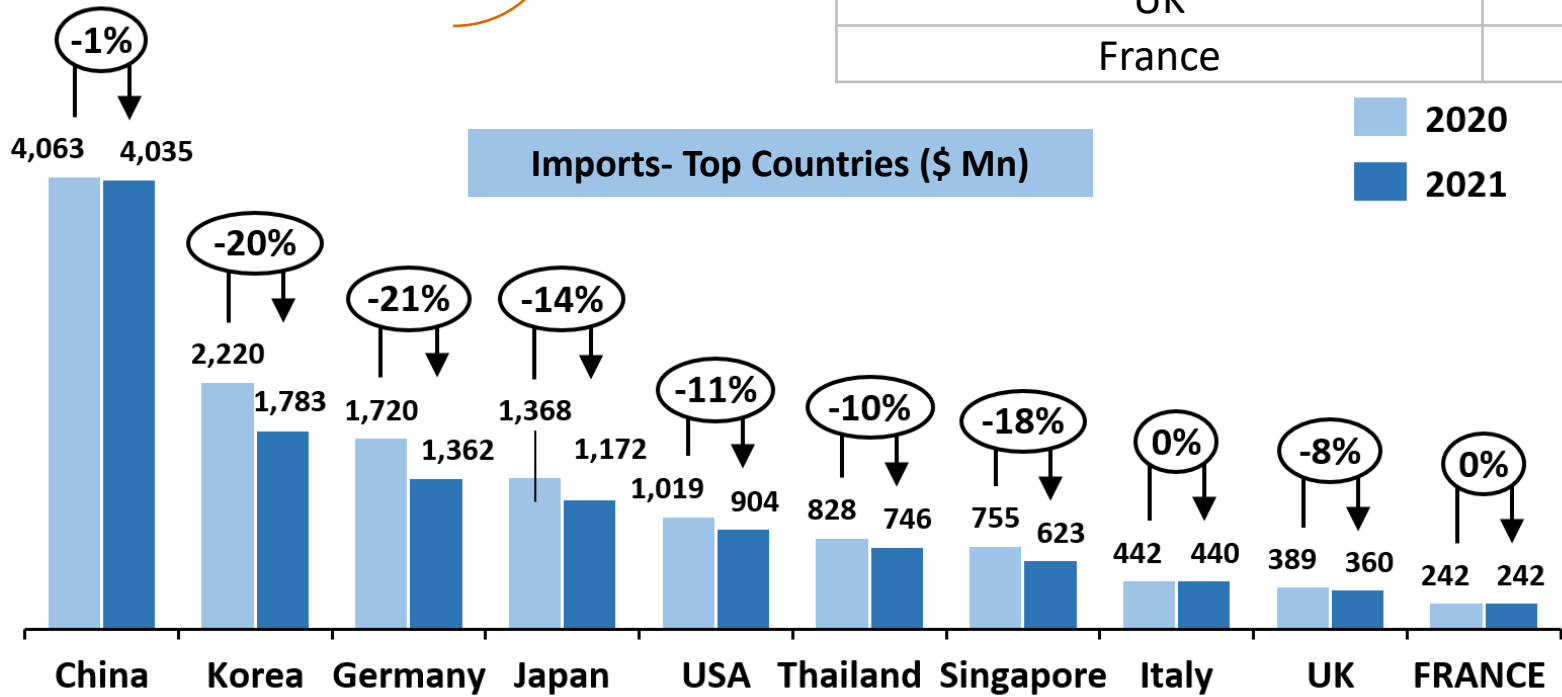
- Imports declined ~11% owing to decreased domestic production
- **Imports** from **China** declined ~1% , however the proportion went up to 29% from 26% in FY20
- The **Asian** market constitutes **66%** of auto component imports; imports from **China** and **Thailand** cater to aftermarket due to cost advantage.



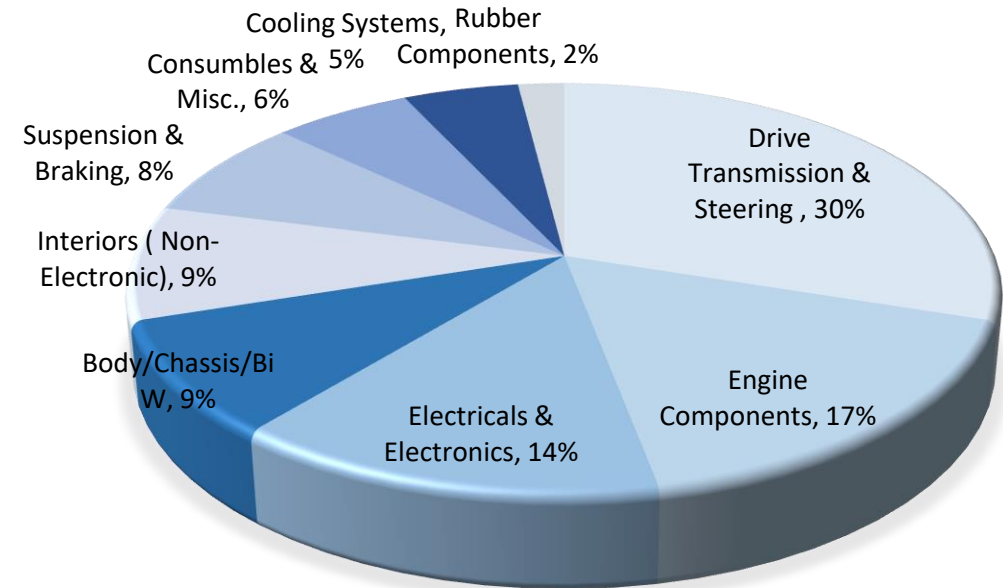
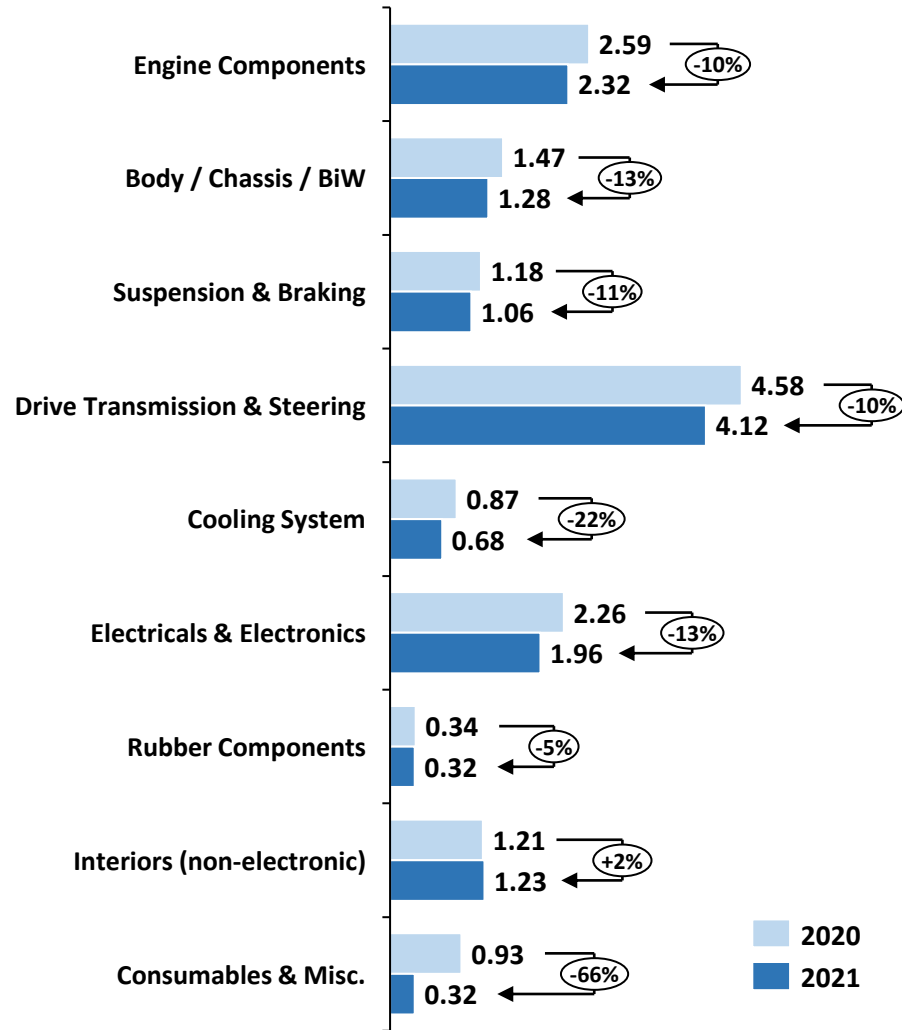
FY 2021: Country wise Imports



Top 10 Countries	Share of Im-FY21
China	29%
South Korea	13%
Germany	10%
Japan	8%
USA	7%
Thailand	5%
Singapore	5%
Italy	3%
UK	3%
France	2%

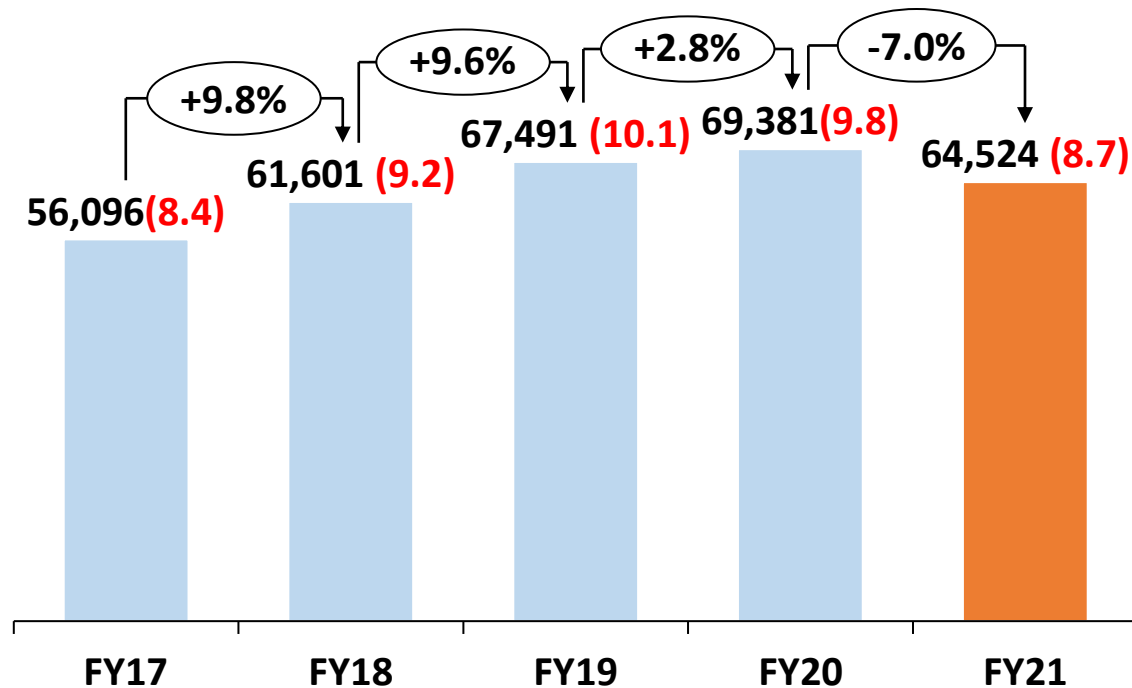


FY 2021: Imports Segmentation by Product Type



FY 2021: Indian Auto Component Aftermarket

Aftermarket | INR Cr (USD Bn)



FY21 - Aftermarket

- With **increased government spending** on infrastructure and **reopening of institutions**, a spike in mobility of CVs, trucks and buses likely to have a positive impact
- **Key factors moving forward expected to have a positive impact:** Growing used car market & vehicle parc, increasing vehicle ownership in semi-urban and rural markets, and growing safety norms and regulations

Summary: FY 2021 vs FY 2020

Figures in INR Crore	2020	2021	Growth Rate
Auto Components Supply to OEMs	2,87,234	2,79,919	-3%
Aftermarket	69,381	64,524	-7%
Exports	1,02,623	98,673	-4%
Imports	1,09,601	1,02,382	-7%
Industry Turnover	3,49,637	3,40,733	-3%

Figures in USD Billion	2020	2021	Growth Rate
Auto Components Supply to OEMs	40.5	37.7	-7%
Aftermarket	9.8	8.7	-11%
Exports	14.5	13.3	-8%
Imports	15.4	13.8	-11%
Industry Turnover	49.3	45.9	-7%

Conversion rate:
 1 USD - INR 74.19 (FY 2021)
 1 USD - INR 70.96 (FY 2020)

ACMA's Key Recommendations to Government

Manufacturing/Localization:

1. Early Implementation of PLI Scheme for Auto & Auto Component Industry
2. Inclusion of Auto Electronics & xEV Component Manufacturing in SPECS or introduce a PLI

Exports:

1. Early Implementation of RoDTEP Scheme
2. Continuation of EPCG Scheme in New Foreign Trade Policy 2021-2026
3. Smooth Transition of existing schemes/incentives in New Foreign Trade Policy
4. Revisit of SAFTA – all access to India made goods at reduced customs tariff



Annual Session 2021

Thursday, August 26, 2021

Theme: Living with volatility - Survival, Revival & Growth

Block your Calendar!!!

Thank You

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