

# ACMA

Automotive Component Manufacturers  
Association of India



सत्यमेव जयते

Ministry of Heavy Industries and Public Enterprises  
Government of India

# Global Auto Components Aftermarket Industry *Market Dimension and Addressable Opportunities*

## Phase 2: Deep Dive Report – Panama

May, 2016

Knowledge Partner

FROST & SULLIVAN



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# Executive Summary



# Key Insights

Indian Auto Parts will be well received in the Panama Market, and have significant potential in the 2 wheelers, passenger vehicles and commercial vehicle segments



Vehicle Fleet	Perception of Indian Auto Components	Auto Components Market
<ul style="list-style-type: none"> <li>The passenger, commercial and 2Wheelers market are dominated by Japanese companies, 43.3%, 54.4% and 76.9% respectively.</li> <li>Whatever, the gap between Japanese and Korean brands in the market has shortened dramatically in recent years.</li> <li>KANOMI (Bajaj) is the only brand imported from India with significant presence in the 2Wheelers market</li> </ul>	<ul style="list-style-type: none"> <li>Indian auto components are perceived to be of good quality and are well received in the market.</li> <li>Insufficient awareness of Indian brands. Diverse vehicle fleet with limited presence of Indian vehicles.</li> <li>Either China or Indian companies will take about 1 month to arrive in Panama giving a equal competition in terms of lead time.</li> </ul>	<ul style="list-style-type: none"> <li>The auto parts market in Panama is dominated by the import of automotive OEM's (30%); direct importers (60%); and other workshops and parts stores (10%)</li> <li>The most common maintenance practices are at intervals of 10,000 or 20,000 km or 3 or 6 months.</li> <li>Gray market is calculated in 20% average.</li> <li>Main sources of imports are USA (28%); China (21%); and Korea (11%).</li> </ul>

Source: Frost & Sullivan

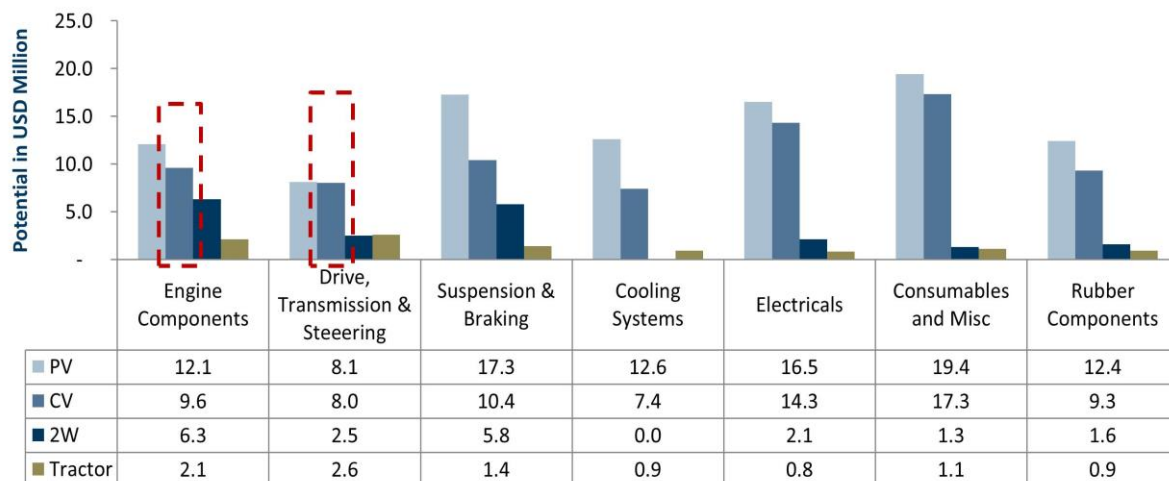
## Unique Trends in the Panama Automotive Market

<b>Increase in Banking Financing</b>	For next years an increase in vehicle purchases with banking financing is expected. which is related to the increased participation of new cars in the Panamanian market and best financing conditions. The credits of the financial system (banks and rest of the system) accounted for 60% of total new car sales in 2015
<b>Increasing Demand for New Vehicles</b>	The demand for new vehicles will continue to be supported by new professionals entering to the labor market (for light vehicles) and the increase of national income (for luxury cars). In 2015, around 39% of the population belonged to the upper middle and upper classes.
<b>Preference for SUV's</b>	Increasing preference for SUV's, whose sales reflect an aesthetic reason, since the most demanded versions are those with traction in a single axis. As a whole, the passenger segment account for nearly three-quarters of new car sales (46.7% cars and 26.2% SUVs).
<b>Low "Car/Population" Ratio</b>	The main factor of expansion of the automotive market in Panama (accounting for 85% of the forecast until 2020), will be its low starting point in terms of the "cars/population" ratio, which is expected to reach 202 cars per thousand habitants in 2020, still far from saturation rate estimated at 500 cars per thousand habitants.

Source: Frost & Sullivan

# Auto Component Market Size

In 2015, the total auto component aftermarket in Panama was about US\$ 204.06 million



- In 2015, Imports in the automotive sector were USD 1,275.4 million. Of this total, 78% are new cars, 6% used cars and 16% for auto parts. The main countries where new or used car imports originated were Japan (26%), South Korea (19%), Colombia (17%), United States (15%) and Thailand (10%).
- Regarding to brands, there was a change in market leadership from Toyota to Hyundai. Imports of auto parts are located in USD 204.06 million. Its origin is the United States (28%), China (21%), the Colon Free Zone (16%) and South Korea (11%).

Source: Frost & Sullivan

## Indian Auto Component Manufacturers - SWOT Analysis

### Strengths

- Parts that arrive in the country with a fair price and quality are able to give good returns to companies
- Colón Free trade Zone gives a supply chain structure and also a re-export hub for brands and associations



### Weaknesses

- The market is fully driven by Japanese brands
- Since market is driven by Japanese brands, Indian components are perceived as low quality, compared with Japanese brands



### Opportunities

- Growing market in Latin America and VIO expansion gives a good perspective
- Panama as a HUB for distribution of parts to North America and Andine Community
- Due to Panama Canal an opportunity to export with better logistics process



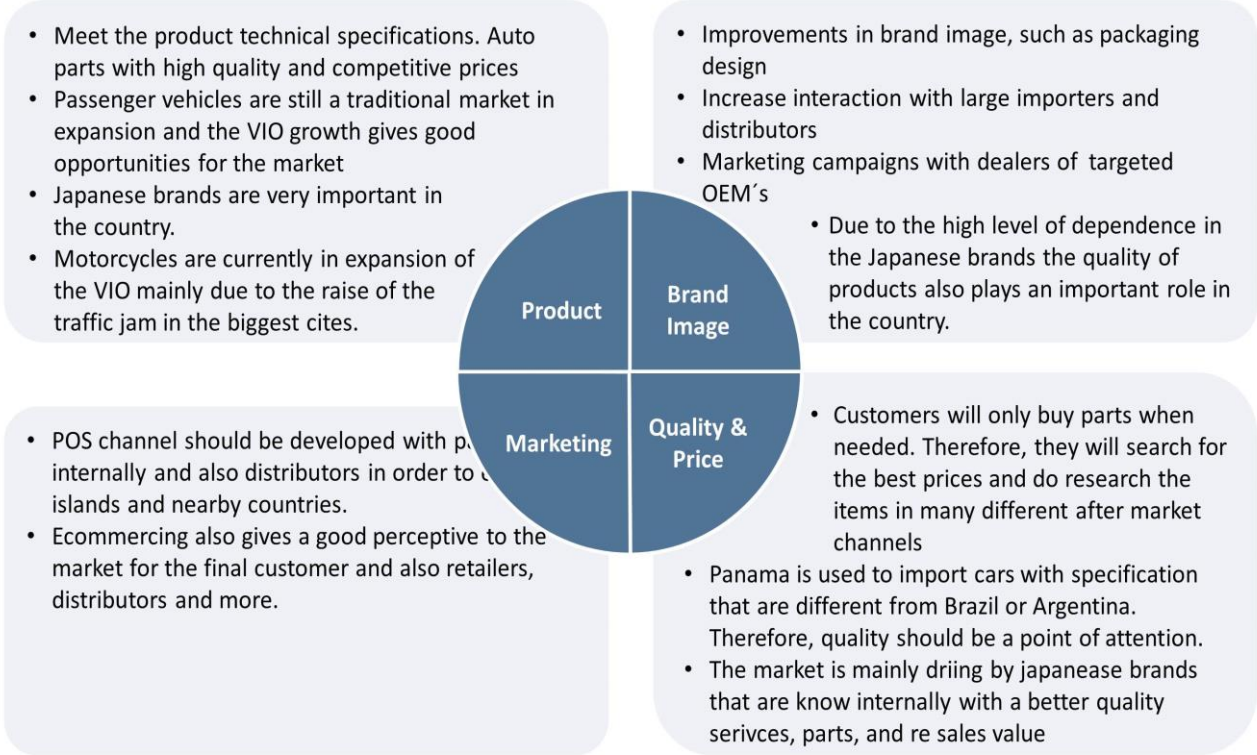
### Threats

- Chinese products are cheaper and they are perceived as a good quality products.
- Although the growth of the VIO gives a good perspective it is small if compared to others nearby countries.



Source: Frost & Sullivan

## Critical Success Factors



Source: Frost & Sullivan

## Perception of Indian Auto Components

Panama Automotive Stakeholders perceive product range, lead time and product development capability are the key concerns

<b>Total Potential</b>	<ul style="list-style-type: none"> <li>• In 2015, Imports in the automotive sector were USD 1,275.4 million. Of this total, 78% are new cars, 6% used cars and 16% for auto parts.</li> </ul>
<b>Impact of Chinese Competition</b>	<ul style="list-style-type: none"> <li>• 21% of the auto parts imported to Panama are from China. Chinese components are available in varying grades of quality and prices but usually very competitive.</li> </ul>
<b>Market Perception of Indian Auto Components</b>	<ul style="list-style-type: none"> <li>• Indian auto components are considered to be of superior quality as compared to Chinese components but for the final customers knowledge and familiarity with Indian brands is relatively nascent.</li> </ul>
<b>Willingness of Local Businesses to Sell Indian Auto Components</b>	<ul style="list-style-type: none"> <li>• Local traders are generally willing to do business with Indian manufacturers on the condition of consistent order fulfilment.</li> <li>• They opine that product range and product development capability are currently the key concerns.</li> <li>• Important to meet the product technical specifications, improvements in brand image is a plus. Packaging design</li> </ul>

Source: Frost & Sullivan



## Recommendations

Product range and lead time are the key elements to succeed for both local market and re-exporting

### Suggested Road Map to enter Panama for ACMA Members

<b>Segment</b>	<ul style="list-style-type: none"> <li>• <b>The 2w segment</b> presents a significant opportunity to ACMA members owing to             <ul style="list-style-type: none"> <li>– Presence of Indian brands such as KANOMI (Bajaj) and Hero MotoCorp</li> <li>– Most parts except engine components are interchangeable between Indian and Chinese</li> </ul> </li> <li>• The CV segment presents low potential in the immediate, since Japanese companies concentrate around 60% of the market. And the presence of Indian brands is limited to Ashok Leyland accounting for less than 5% of CV fleet.</li> <li>• The immediate opportunity in the PV segment is low, since Japanese and Korean brands account for 85.1% of the market. And the presence of Indian brands is limited to Mahindra (SUV's) accounting for less than 5% of CV fleet.</li> <li>• 3w and tractors are not an attractive market for Indian manufacturers. In both cases the number of units sold, do not justify the presence in any of these 2 segments.</li> </ul>
<b>Product Development</b>	<ul style="list-style-type: none"> <li>• For segments other than the 2w, Indian suppliers have to develop products to address at least 20% of the fleet.</li> <li>• <b>Product durability is key</b> – Indian suppliers have to test these products on Panama road conditions before launch in order to ensure component durability</li> <li>• Indian suppliers must set up new dedicated project teams with the sole responsibility of identifying and generating new references</li> </ul>

Source: Frost & Sullivan

## Recommendations

Panama aftermarket opportunity is small per se, but it is an export hub for the rest of the region

### Suggested Road Map to export to Panama for ACMA Members

<b>Quality</b>	<ul style="list-style-type: none"> <li>• <b>For re-exporting purposes quality is not the main concern, price is more important</b></li> <li>• For the local market, there is low awareness of Indian product quality</li> <li>• <b>Perception among Panama autoparts ecosystem is that Indian products could be better than Chinese options</b> – providing high quality products will support this perception, thus creating value for the incremental price the customer pays</li> </ul>
<b>Price</b>	<ul style="list-style-type: none"> <li>• <b>Prices need to be highly competitive</b> -lower than for the rest of the markets as they are likely to be re-exported (adding an additional level in the distribution chain)</li> <li>• <b>Products for the local market can be priced between that of Chinese parts and those from United States manufacturers</b> - providing high quality, and durability should be enough for consumers to pay a premium in price</li> <li>• Distributors are willing to pay upto 15% premium on Indian components</li> </ul>
<b>Channel</b>	<ul style="list-style-type: none"> <li>• <b>Panama should be seen as a channel to export to other Latin American countries so main contact points should be importers that have export operations as well</b></li> <li>• For Panama market, distributors should be the best way to reach the market.</li> <li>• Take advantage of companies established in the Free Trade Zone – Colon Free Trade Zone</li> </ul>

Source: Frost & Sullivan

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# Panama – Economic Profile



# Panama Country Profile

44% of population resides in urban areas

<b>Area</b>	75,517 sq. km												
<b>Population</b>	Total: 4.00 Millions (2015 est.); Growth 1,99% (2015 est.) 84,36% population resides in urban area 2010												
<b>Male Female Population</b>	Female 50.7% Male 49.3%												
<b>Population by age group</b>	<table border="1"> <thead> <tr> <th>Age Group</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>0-9</td> <td>18,2%</td> </tr> <tr> <td>10-19</td> <td>17,7%</td> </tr> <tr> <td>20-29</td> <td>16,2%</td> </tr> <tr> <td>30-39</td> <td>14,4%</td> </tr> <tr> <td>40-49</td> <td>12,7%</td> </tr> </tbody> </table>	Age Group	Percentage	0-9	18,2%	10-19	17,7%	20-29	16,2%	30-39	14,4%	40-49	12,7%
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20-29	16,2%												
30-39	14,4%												
40-49	12,7%												
<b>Key cities</b>	Panama City, San Miguelito and Tocumen												
<b>Legal Driving Age</b>	16* years (There are restrictions for this age)												
<b>Vehicle driving mode</b>	Right												

Source: World Bank, IMF, Frost & Sullivan

## Panama Gross Domestic Product

One of the best economics in South America in terms of growth, and its expected that this behaviour will continue in future years

Growth in Gross Domestic Products, Panama, 2004-2014



Panama economy is based on some services like: Panama Canal that is currently on expansion, banking, Colon Free Trade Zone and others.



Public transportation has been undergoing continuous improvements, in recent years they invested about 1.2 billions USD in a Metro project within several others initiatives.



All vehicles are imported, due to the bad income distribution in the country it's expected that the country VIO will still raise.

### Implications:

- Service Economy directly generates demand for auto and auto components markets
- Leads to increase in vehicle parc generating more demand for auto components
- Major dependence on imported vehicle parts in the aftermarket.

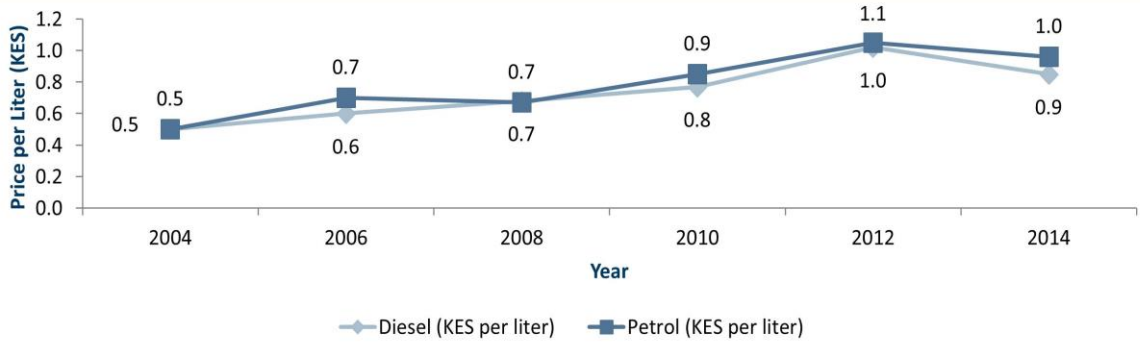
Note: GDP at constant prices  
\*f = forecast

Source: Frost & Sullivan ; Panama Revenue Authority  
Current: 1 Panama Shilling = USD 0.011

# Panama – Fuel Price Fluctuation

Directly affected by the international oil's price cool down

Fuel Price Fluctuation, Panama, 2004-2014



## Implications on the Local Auto Industry

- The fuel prices have grown until 2012. However, due to the international petrol prices diminution it has directly impacted on the national prices.
- From 2009 to 2014 the Fuel prices have grown by CAGR +3,7% (Petrol) and +4,0% (Diesel).
- Panama economics is mainly influenced by the tourism, Panama Canal and the free trade zone. Therefore, It is now expected that the down proces of the oil will affect the internal economy of the country.

Conversion Rate: 1 USD = KES 101.35

Source: World Bank, Frost & Sullivan



# **Automotive Industry in Panama**

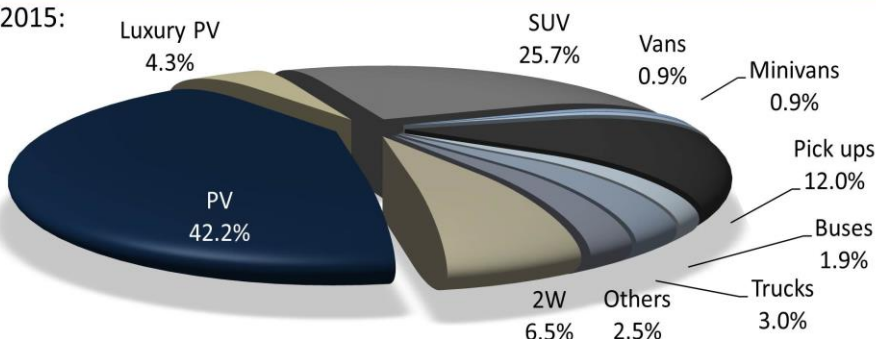


# Automotive Industry Overview

Primarily a used vehicle market with a very diverse brand composition

## Automotive Industry Sales, Share by Vehicle Category, 2015

Total Vehicle Sales 2015:  
69,235 vehicles



- Panama doesn't count with any national production of vehicles. Therefore, it is mainly dependent on the import of new vehicles. According to ADAP the market have grown 7% from 2014 to 2015. The only similar production available in the country are four body shell production companies and one that restructure used cars.
- Investing in cars in Panama is one of the most common investments of the population once that they count with a big imported line up to decide their models. The financial facilities also play an important in this market in order to attract new costumers.
- The national fleet in the country in 2015 was 1.2 million vehicles. The majority of vehicles are in Panamá city and La Chirrerá. According with the National Statistics Institute (Instituto Nacional de Estadística y Censo) 64,735 vehicles and 4,500 motorcycles were sold in Panama, the most sold vehicles were Kia Rio, Toyota Jilux and Toyota Yaris.

Source: Frost & Sullivan

## Drivers and Restraints in Panama Automotive Sales

Feature rich second hand vehicles at relatively affordable prices restrain the sales of new vehicles

### Market Drivers



The growth of the VIO in the Panama fleet gives a good perspective to the Aftermarket components however remains with low demands when compared to other South American Countries.

Increasing market for generic spare parts. Original or generic spare parts from China, Korea and India have good perception with customers and importers..

The high dependence in the import of materials and the structure the FTZ gives a good perspective for the country and international investments.

### Market Restraints



The internal demand of auto parts is much smaller than others South American Countries.

Two of the major problems in Panama that can affect the aftermarket are the theft of vehicles and the lack of fiscalization.

High dependence in imported auto parts from USA, China and Korea, mainly from Japanese brands.

Source: Frost & Sullivan

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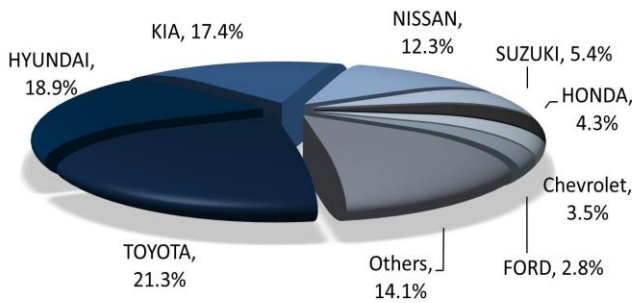


# Passenger Vehicle Market in Panama



# Passenger Vehicle Segment Overview

Japanese and Korean brands account for 85.1% of the market share



Make	Top Models
TOYOTA	Hilux, Yaris and Rav4
HYUNDAI	Accent, Tucson IX
KIA	Río, Picanto, Sportage
NISSAN	March, X-Trail, Sentra
SUZUKI	Ciaz, Vitara
HONDA	Civic, CRV

- Although there is no domestic manufacturing, and the country is highly dependent in the import of vehicles and auto parts, there are more than 50 brands in the country.
- Of the 10 top brands sold in Panama, 8 are Asian (85.1%) and 2 North American (6.3%). Although Japanese cars historically had a significant share of the market, the gap between Japanese and Korean brands in the market has shortened dramatically in recent years.
- Regarding the best selling models at the end of June 2015, the first place was the Kia Rio with 357 units sold, followed by the Toyota Hilux with sales of 345 units. In third place was the Toyota Yaris, followed by Hyundai Accent with (310 units) and the Kia Picanto (256 units), Toyota RAV4 (171), the Hyundai Elantra (163), the Kia Sportage (154) Hyundai Tucson IX (143) and the Honda CRV (142).

Others includes, but is not limited to Mahindra (from India), Porsche, Chrysler, Dodge, Jeep, Mercedes Benz, ACURA, BMW, Audi, VW, Jaguar, MAZDA, VOLVO, Renault, Peugeot

Source: Frost & Sullivan

# Passenger Vehicle Usage Conditions

Passenger cars ply in generally congested traffic conditions and on average quality roads



## Daily Driving Patterns

- Average year commute 10.000~11.000 km.
- It's important to understand that the two cities that have more traffic jam are Panama city and La Chorrera. In those two cities the commuting propose vehicle will be higher than other regions.
- Due to the lack of public transportation and non respect of the traffic legislation, it's expected that more people will migrate to private means of transportation in the future.
- The most important cities for sales are Panama city, Chiriqui and Colon (Free Trade Zone).

## Driving Conditions



- In the city the average speed of the traffic was 17.7 km/h.
- With the rapidly raise of the country VIO the population is lacking on education for the best driving behaviours. In the most important cities the traffic is very low.
- In Panama city there is about 852,137 vehicles. In Panama there is about 1,126 thousand. In downtown it's expected that they are about 2 cars per house.
- About 80% of the while consumption of fuels are petrol or diesel.

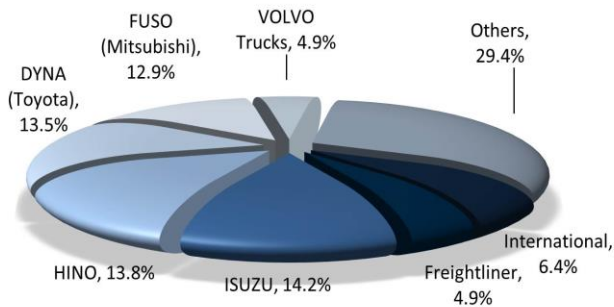
Source: Frost & Sullivan

# **Commercial Vehicle Market in Panama**



# Commercial Segment Overview

Japanese companies concentrate around 60% of the CV market.



Make	Top Models
ISUZU	QKR55L, NQR90L-242
HINO	HINO 300, HINO 500
DYNA (Toyota)	Toyota DYNA LY235L
FUSO (Mitsubishi)	CANTER FG83 and FE84
International (Navistar)	DuraStar, WorkStar
Freightliner	Series M2106 25K – 29K

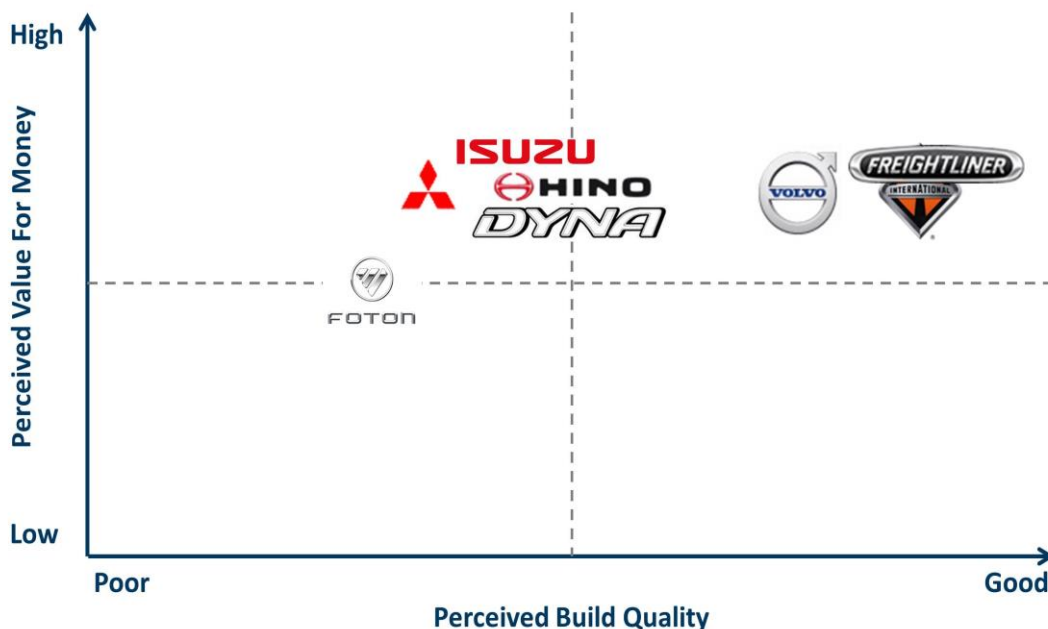
- There is no domestic manufacturing, the country is highly dependent in the import of vehicles and auto parts. According to the National Institute of Statistics and Census of Panama 3,387 trucks, including buses and busitos, and small, medium and large trucks were sold in 2015.
- In the segment of trucks, the dominant brand is International (Navistar), represented by Tecnica Universal S.A. (Tecun Group S.A.); followed by Freightliner distributed by AutoStar; and Volvo trucks, distributed by Volvo Trucks Panama CDM.
- With regard to buses and commercial, light, medium and large vehicles, the market is dominated by Asian companies, such as the Japanese HINO; ISUZU; Toyota-DYNA; Mitsubishi-FUSO; the Korean automakers Hyundai and KIA; and Chinese brands such as Changan; JAC and FOTON.

Others includes, but is not limited to KIA, Chevrolet, FORD, HYUNDAI, SCANIA, Dong Feng, FOTON, Kenworth, JMC, DSEK, Changan, JAC, Ashok Leyland (from India)

Source: Frost & Sullivan

# Commercial Vehicle Segment Overview (continued)

European and American products are perceived to offer the best value for money



Source: Frost & Sullivan

# Commercial Vehicle Usage Conditions

Overloading is a common practice, particularly in the industrial and rural areas



## Daily Driving Patterns

- Average year driving 89.000~90.000km.
- The road network is mainly used for CV's in order to distribute products to the internal market like petrol, food, and others.
- The lack of investments in public roads network makes the road structure not favorable for the parts durability. Also, with the lack of security it makes harder for the transportation of high valuable items.

## Driving Conditions



- In the last years the city has expended in high growth rates. The govern had to invest in roads network in order to follow the rapidly vehicles sales growth.
- Panama is not highly dependent in the commodities exports. Therefore, it's expected that heavy duty trucks or the use of CVs are influenced by the logistic process, Panama canal operation and others logistics services sectors.
- Its expected that the duplication of the Panama will be concluded in 2016, therefore shaping the economy to higher growth rates.

Source: Frost & Sullivan

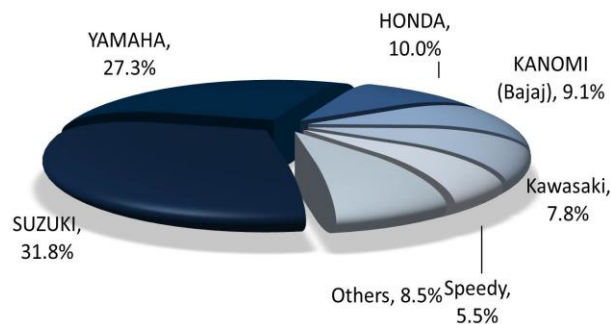


## **2 Wheeler Market in Panama**



## 2 Wheelers Segment Overview

Japanese brands dominate the 2 wheeler market, with around 80% of the market share



Make	Top Models
SUZUKI	Gixxer 150, Gixxer SF
YAMAHA	F2FI N-15
HONDA	CB1, XR125L, XL200
KANOMI (Bajaj)	Pulsar series, Discover125
Kawasaki	Z, Versys, KLR
SPEEDY Motors	YS 250 cc, LX 150 cc

- There are no motorcycle assemblers in Panama. There are more than 30 brands, among which Chinese brands, entering and exiting the market. The market is dominated by Asian companies. Up to 125 cc market is dominated by traditional brands such as SUZUKI, YAMAHA, HONDA, Bajaj (KANOMI) and Kawasaki, which control 87.2% of the market. Above 150 cc AVA and SPEEDY brands are sold.
- Around 4,500 motorcycles were sold in Panama in 2015. The most sold motorcycles in Panama are from the categories: Sport (70%), Scooter (15%) and Moped (15%). The most important displacement is from 100~180cc (85%).
- In Panama there is no culture of use of motorcycles, the growth of the market is mainly due for deliveries.

Others includes, but is not limited to Piaggio, BMW, HERO MotoCorp, AKT, SANYA, Hyosung, KITOMI,

Source: Frost & Sullivan

## Commercial Vehicle Usage Conditions

Overloading is a common practice, particularly in the industrial and rural areas



### Daily Driving Patterns

- Average year driving 89.000~90.000km.
- The road network is mainly used for CV's in order to distribute products to the internal market like petrol, food, and others.
- The lack of investments in public roads network makes the road structure not favorable for the parts durability. Also, with the lack of security it makes harder for the transportation of high valuable items.

### Driving Conditions



- In the last years the city has expanded in high growth rates. The govern had to invest in roads network in order to follow the rapidly vehicles sales growth.
- Panama is not highly dependent in the commodities exports. Therefore, it's expected that heavy duty trucks or the use of CVs are influenced by the logistic process, Panama canal operation and others logistics services sectors.
- Its expected that the duplication of the Panama will be concluded in 2016, therefore shaping the economy to higher growth rates.

Source: Frost & Sullivan

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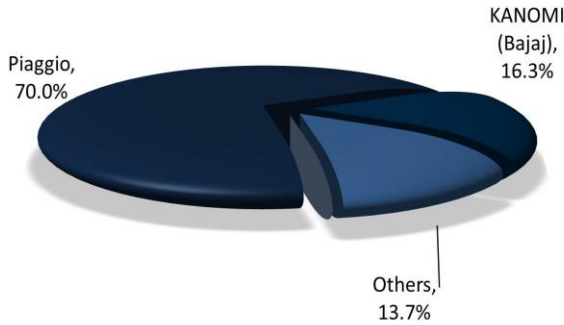


# **3 Wheeler Market in Panama**



### 3 Wheeler Segment Overview

Tuk-tuks represent a very small market in Panama



Make	Top Models
Piaggio	Ape
KANOMI (Bajaj)	TORITO RE

- Tuk-tuks are not very well sold in Panama, it is a marginal market. Sales are focused in street sales and tourism. Manufacturers have been tried to enter the taxi market, the strong market for Tuk-tuks in Latin America, but they faced a restraint, the taxi drivers unions, that exert a lot of pressure.
- Piaggio is the only brand that promotes Tuk-tuks as a standard product line, with its Ape models with and without cabin; KANOMI (Bajaj) has imported some, but not offered as standard product, Tuk-tuks are imported by order. Many used Tuk-tuks are imported from Colombia or Peru, important markets for Tuk-tuks. Although no official statistics, it is estimated that about 600 were sold in 2015, especially for the tourism industry, brands such as Piaggio, KANOMI (Bajaj); a few from Tuk-Tuk Factory, Spain.

Source: Frost & Sullivan

### 3 Wheeler Usage Conditions

Rash riding, bad roads and overloading are common usage conditions in the sub-urbs and rural areas



#### Daily Driving Patterns

- Average daily running ranges from 90-110 kms, which is largely within the city limits, i.e. suburbs
- Drivers are normally rash, over speed and brake hard
- Tuk tuks carrying goods are normally overloaded. Coupled with the general driving habits, the engine, suspension and transmissions of these vehicles are at risk of premature failure

#### Driving Conditions



- General operation of tuk tuks for passengers is well within city and suburb limits
- Good carriage in tuk tuks is very limited to within industrial and market areas
- Medium to high overloading is common for tuk tuks carrying that are carrying goods
- One of the constraints faced by Tuk-tuks in Panama is the rainy environment.
- Tuk tuks servicing industries and markets run on poor quality roads and dusty environments

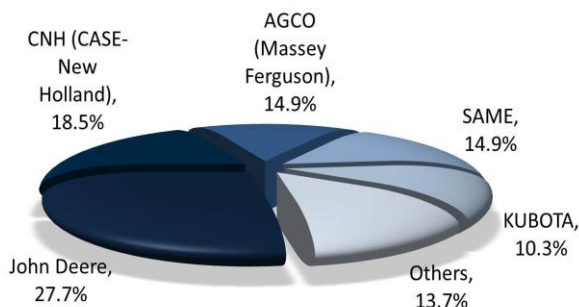
Source: Frost & Sullivan

# Tractor Market in Panama



# Tractor Segment Overview

North American and European Tractors dominate the small Panamanian market



Make	Top Models
John Deere	Series 6D, 6, 5D, 5E
CNH (CASE-New Holland)	T6050 4DW, TT55 4DW
SAME	Tiger 75, Explorer 80
AGCO (Massey Ferguson)	MF4200, MF200, MF5400
KUBOTA	Series B, L4100 (42CV)

- Due to the fact that there is no tractor production in Panama, this market is stocked by imports. AGCO-Massey Ferguson imports tractors from Brasil, India and Mexico; John Deere imports tractors from USA and Mexico; CNH with its brands CASE and New Holland are imported from Mexico; TESA-Transportes y Equipos is the exclusive dealer for SAME tractors, imported from Italy.
- In 2015, only 195 tractors were sold in Panama. Empresas Melo S.A., the official distributor for John Deere tractors, has remained ahead in the market, with a share of 27,7%, while the brand with less participation were the Japanese brand KUBOTA with 10.3%

Others includes, but is not limited to FOTON, KOMATSU (distributed in Panama by Grupo Tiesa, Mahindra (Indian company) there is evidence of a purchase of 2 "Arjun International 8085" tractors to Panama Corporation in 2014, no entries in 2015.

Source: Frost & Sullivan

## Tractor Usage Conditions

Tractors are majorly used for tillage operation with annual usage of 700-800 hrs, on field repair service are preferred due to remote working location



### Daily Driving Patterns

- Average daily commute 1,500 hours a year.
- Tractors are the most used vehicles in the agriculture segment in Panama. As much as a tractor can have a good fuel economy, high technology and be able to carry others agriculture implements it is going to be one of the top selling products.
- There is also a big segment for the familiar agriculture processes.

### Driving Conditions



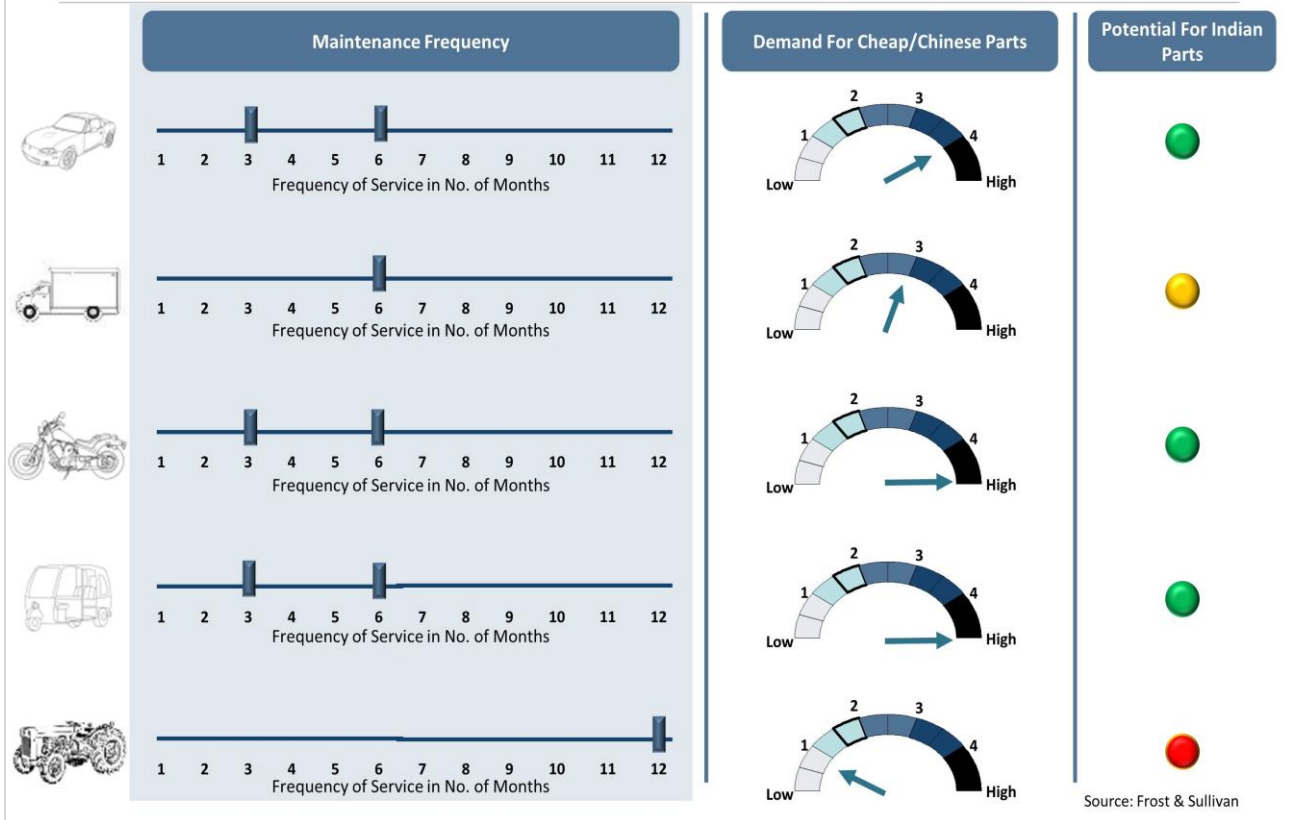
- A big part of the tractors sold in the country are diesel engines equipped.
- The agribusiness in Panama counts with 3,0~4% of the whole GDP. However, Panama is also highly dependent in the import of the agriculture and Woodstock products.
- The after sales departments do offer warranty of 1,500 hours of work or one year. We can expect that in average a tractor runs per year about 1,500 hours.

Source: Frost & Sullivan

# Maintenance and Parts Replacement Practices



# Maintenance and Parts Replacement Practices



## Passenger Vehicles

Most of the new car buyers are faithful to the brand during the vehicle warranty period



### Maintenance Frequency and Parts Replacement

- Maintenance intervals are the regular ones and recommended by all OEM every 10,000 or 15,000 km, or every 6 to 12 months. The private vehicle market is very well developed, for example, TOYOTA has a prepaid maintenance service and also a home delivery of parts and spare parts.
- Most of the new car buyers are faithful to the brand during the first two or three years, after that they start using less expensive parts and auto shops.
- Assemblers have tried to revert this situation by designing strategies that give out loyalty incentives such as promotions and temporary or regional discounts.

### Choice of Brand for Auto Components

- The internal market is totally influenced by the imports of auto parts, mainly from Japan, China, United States and Mexico. The country players also an important role as a HUB of distribution for North and South America.
- In the internal market, as the population has a social disparity, they are highly sensible to the final price of products and the quality.
- Most of the owners of a motor vehicle look for original spare parts, either with the distributor (these are of course more expensive) or with a spare parts importers. Gray Market is calculated in 20%.

Source: Frost & Sullivan

# Commercial Vehicles

Commercial vehicles are susceptible to use the services of the independent garage services or distributors, by acquiring fleet maintenance plans.



## Maintenance Frequency and Parts Replacement

- The case of commercial vehicles is similar, but the maintenance intervals are less because in most cases, these vehicles are used for work. Commercial vehicles tend to use maintenance and distributor spare parts during a longer period of time, due to the fact that most of them are acquired in fleet programs or leasing.
- One of the most important channels is the independent aftermarket workshops for maintenance. Also, the illegal auto parts market is estimated to play an important role in the country mainly getting parts from vehicles that were stolen or either illegally imported.
- Auto parts are mainly important to the country making the services and demand highly dependent in the import of auto parts.

## Choice of Brand for Auto Components

- In the same way as the private segment, most of the owners of a motor vehicle look for original spare parts, either with the distributor (these are of course more expensive) or with a spare parts importers. Gray Market is calculated in 20%.
- In the last years the Organized Independent Garages have displaced the basic mechanics, which are used by the population segments that can't afford the services and parts of a distributor or an importer. These mechanics sometimes resort to reconstructed parts, stolen parts sales or parts that are manufactured with low quality standards.

Source: Frost & Sullivan

# 2 Wheelers

Imports of spare parts are dominated by Japanese and Chinese brands



## Maintenance Frequency and Parts Replacement

- The most important displacement for motorcycles is 100~180cc.
- Motorcycles are easier to repair than cars and commercial vehicles, so the customer's fidelity with the brand lasts only for a year. The maintenance of motorcycles is more frequent than the maintenance of cars, because most of them are used as a tool for work, this maintenance would normally have to take place in an interval of 3.000 to 6.0000 kilometers or 3 months, depending on work conditions.
- The segment is dominated by Japanese brands (54.4%), and there is a wide availability of imported parts, manufactured in the country and also stolen parts.

## Choice of Brand for Auto Components

- Original parts are available for all brands sold in Panama. There are companies that manufacture certain components for motorcycles, especially rubber hoses and components for best-selling brands as SUZUKI, YAMAHA and HONDA.
- Imported spare parts play an important role, due to the fact that it is calculated that at least 60% of the market is in the hands of the importers and the other 40% in OEMs distributors. The gray market is calculated in equal manner in 20% of the market.

Source: Frost & Sullivan

## 3 Wheelers

Panama is not a big market for Tuk-tuks



### Maintenance Frequency and Parts Replacement

- Panama is not a great market for Tuk-tuks or motocarros, only the brand Piaggio shows them as a standard product in its catalog and KANOMI (Bajaj) imports a few. The maintenance intervals are similar to the ones in motorcycles, every 3,000 to 6,000 kilometers.
- Tuk-tuks or Motocarros are used as tourist vehicles or for street sales, so what maintenance intervals are recommended every 3 months.
- The parts that are more frequently replaced are lights, mirrors, transmission parts and direction.

### Choice of Brand for Auto Components

- According to Piaggio, 80% of their clients are faithful to the brand, and choose to have their maintenance service and buy the spare parts with the brand, due to the prices and promotions that they offer, both in maintenance services and spare parts. Only 20% go to specialized shops or basic mechanics,
- Since the brands that offer these vehicles are very few, Piaggio and Bajaj, and the maintenance cost and spare parts are inexpensive, many owners prefer to buy Tuk-tuks original parts and do service with an official dealer. However the components are very similar to those of motorcycles, so there are many substitutes in the retail market.

Source: Frost & Sullivan

## Tractors

The tractor's Panamanian fleet is very small, due to this most of the parts and maintenance are provided by official dealers, in the 85% of the cases.



### Maintenance Frequency and Parts Replacement

- The after sales departments do offer warranty of 1,500 hours of work or one year. We can expect that in average a tractor runs per year about 1,500 hours.
- The aftersales departments are able to give the maintenance needed. Depending on the service the DIY channel can be very important.
- In the case of tractors, most of the buyers go directly with the distributor for a maintenance service and spare parts, because tractors are more specialized machinery and have a very small vehicular fleet.
- Usually tractors have a working life of 10 to 12 years old.

### Choice of Brand for Auto Components

- Since parts for tractors are a more specialized and the Panamanian fleet is very small, most of the parts and maintenance are provided by the official dealer in the 85% of the cases.
- Anyway, In the countryside, there is a large number of basic mechanics that offer tractor repair services. On the other hand, in the subject of spare parts, buyers tend to always look into buying the original ones, either with a distributor or an importer.

Source: Frost & Sullivan

32



# Vehicle Servicing Infrastructure



# Vehicle Servicing Infrastructure

Organized independent garages are preferred service channels in Panama

%

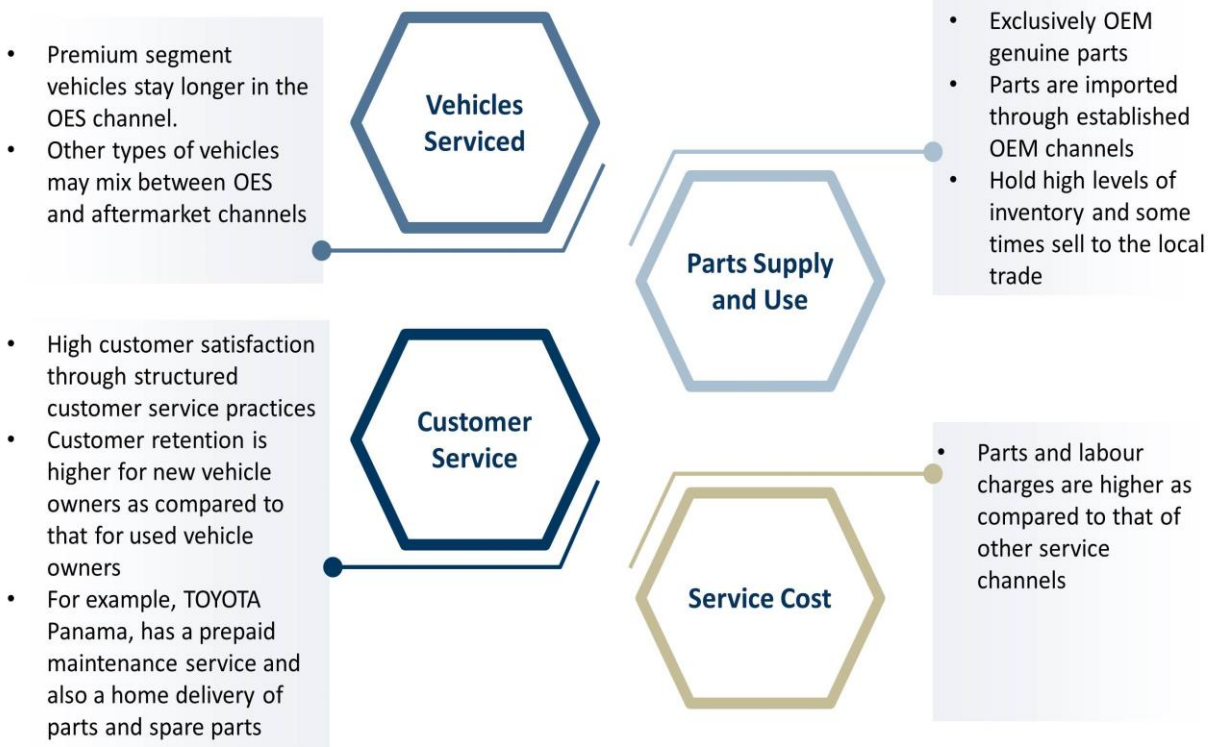


Note: Estimated share of Vehicles Services at these facilities

Source: Frost & Sullivan

## OEM Authorized Service Centers

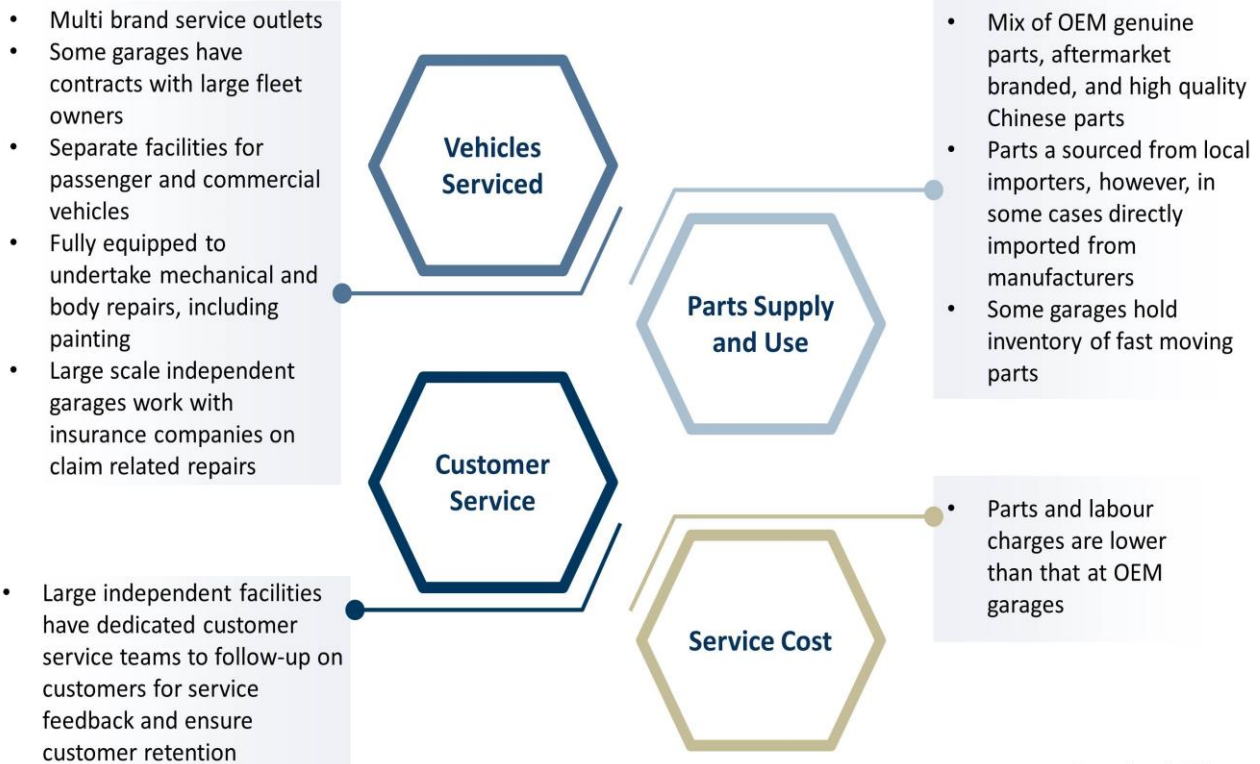
These service centers are primarily used for new vehicles and high end used vehicles



Source: Frost & Sullivan

# Organized Independent Garages

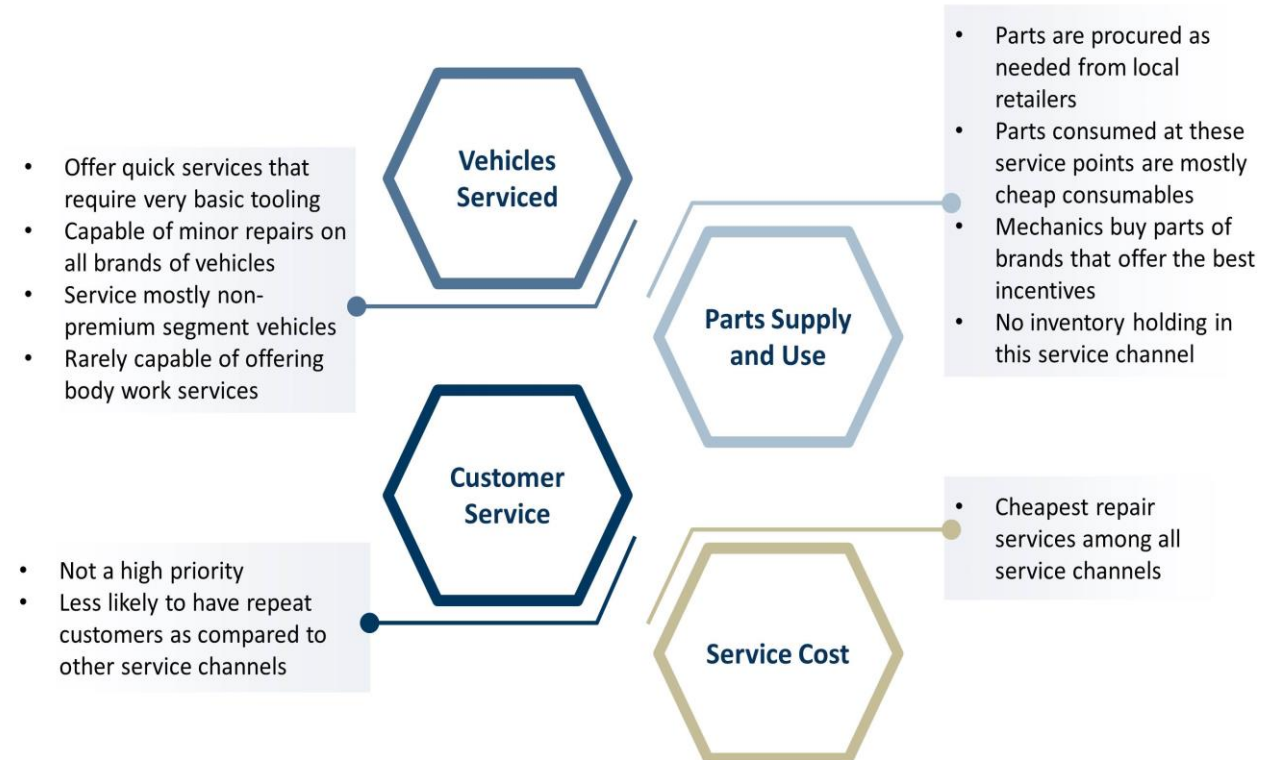
Their preference toward good quality parts makes this a key channel to target for sale of aftermarket auto parts



Source: Frost & Sullivan

# Basic Mechanics

The choice of parts is significantly inclined toward the cheapest options in the market

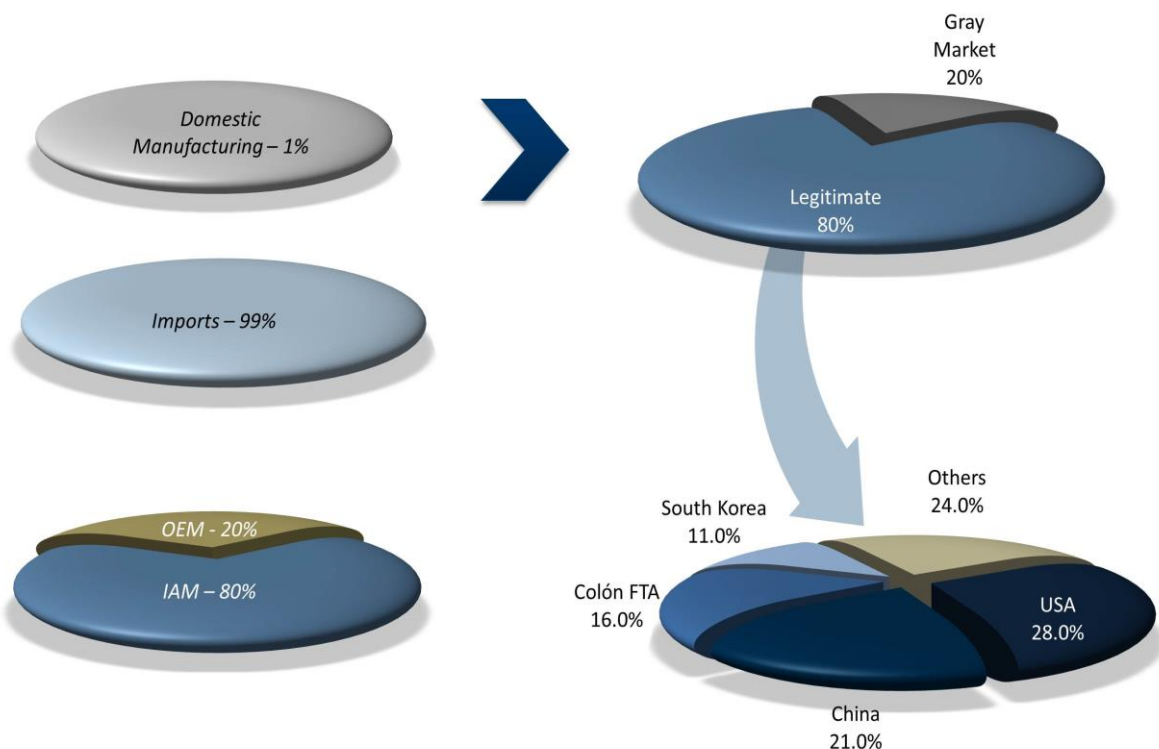


Source: Frost & Sullivan

# **Auto Components Market**



# Auto Component Market Summary



Imports – 99%

Source: Frost & Sullivan

## Main Auto Components Brands in the Panama Market

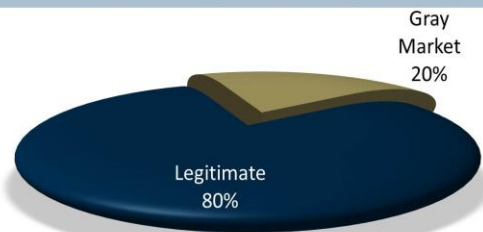


Source: Frost & Sullivan

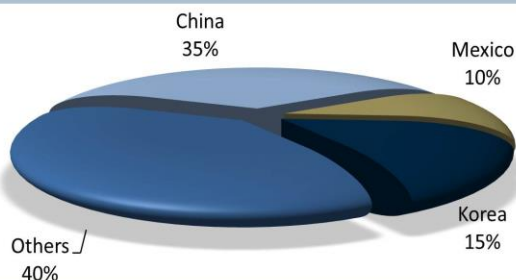
# Share of the Gray Market

The gray market is estimated at 20% of the total auto components aftermarket in Panama

Share of Auto Components Gray Market, Panama



Share of Gray Market Parts by Export Origin

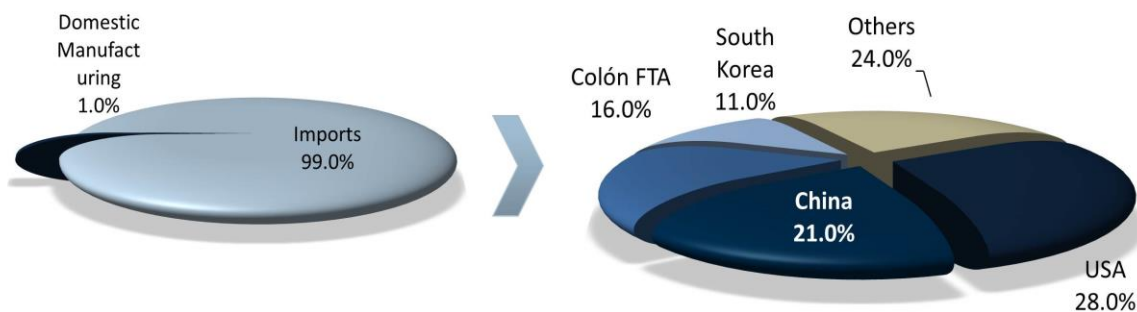


- There are no assembling lines in Panama. However, there is a factory that can use used cars to rebuilt others, and also use spare parts for the gray market.
- Many auto parts that enters in Panama are re-exported to other countries. Panama for an example sometimes receive those good that illegally enters in the country.
- Panama does have a very good import and export scenario. Therefore, it can be a hub for distribution to other countries.
- Internally Panama does not count with special restriction for the entry of auto parts.
- Even though the parts that come from Asia continue to lead the market, with a participation of ,at least 34% (without knowledge of the precedence of the trade with the FTZ in Colon). United States has earned participation through the commercial promotion treaty which could endure as long as there is a preferent commerce with that country.

Source: Frost & Sullivan

## Market Overview

Chinese parts have a significant presence in the aftermarket across vehicle segments



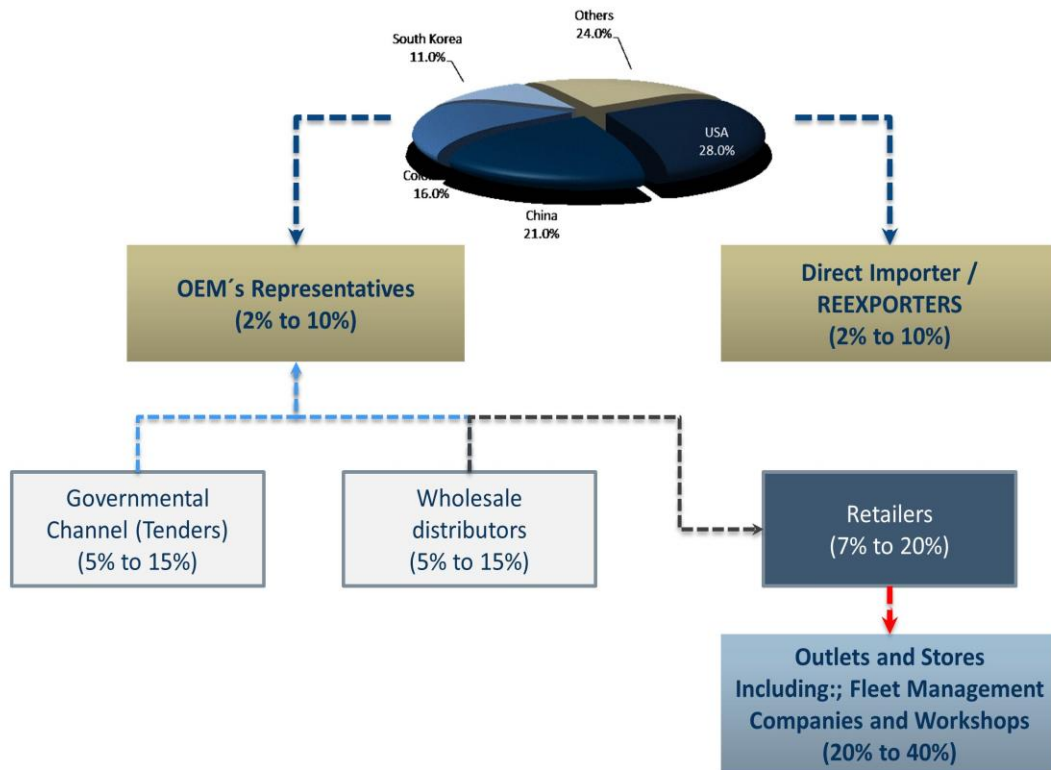
- Cost and quality driven market mainly for Japanese brands in operation;
- The imports of auto parts 28% are from USA. China counts with 21% mainly due to the very competitive prices.
- Customers are not fully aware of the parts quality and all the maintenance services. The fianl target is mainly worried by accessories parts an will only buy auto parts when needed.
- Chinese autoparts are very important in the country and the second most important origin. It is important to highlight that imports from China, do not respond to issues such as quality or price, but rather are due that the fact to many original and generic spare parts manufacturers have their manufacturing plants in China.

Others includes imports from Mexico, Brazil and other Latin American Countries, Germany, Italy, Japan, Taiwan.

Source: Frost & Sullivan

# Auto Components Distribution and Margin Structures

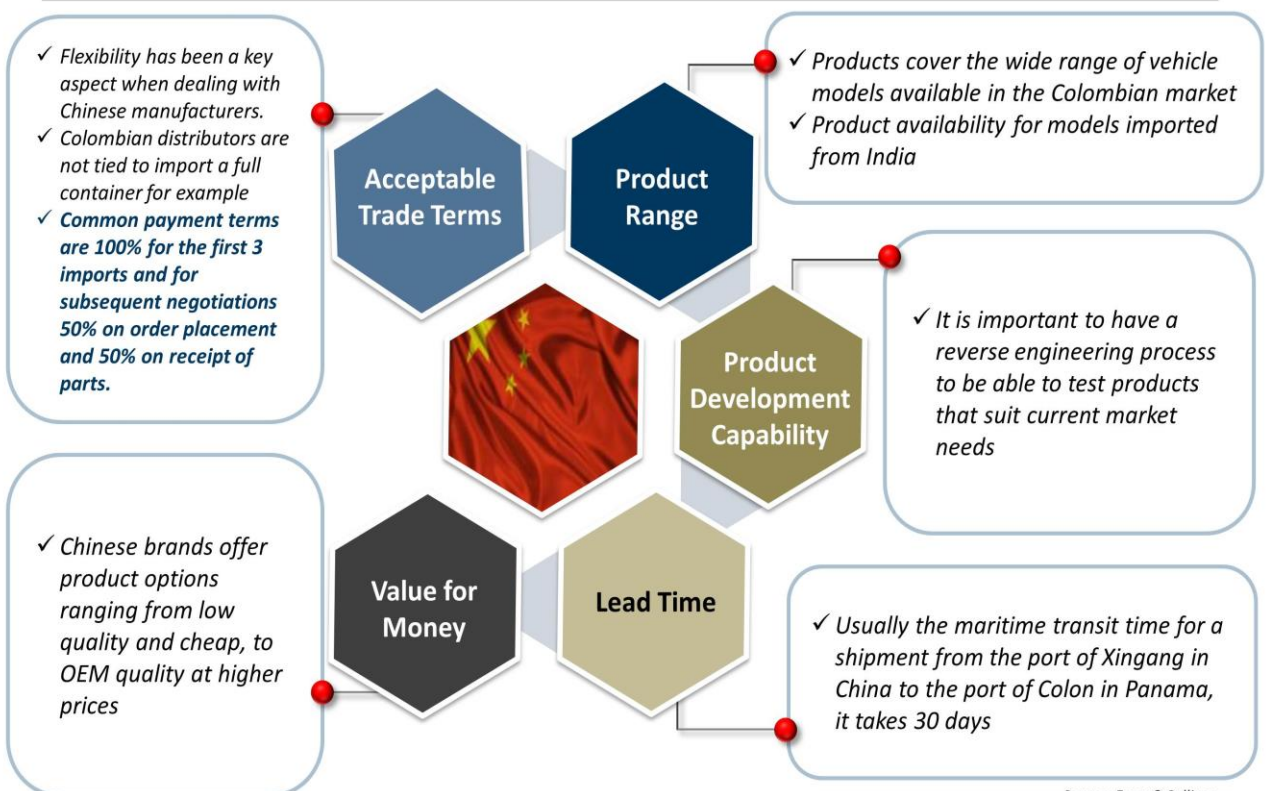
In the CFZ there are re-exporting companies mainly for accessories and spare parts, which act as brokers receiving large volumes of goods, that are stored and redistributed to other countries.



Source: Frost & Sullivan

## Chinese Auto Components in Panama

Panama has a Free Trade Agreement with Taiwan, Province of China. The agreement entered into force in January, 01, 2004.



Source: Frost & Sullivan

# **Duty Structure for Import of Auto Components and Impact on Indian Exporters**





# Duty Structure for Import of Motor Vehicles

Panama has Free Trade Agreements with the European Union and 11 other countries

## Duties and Taxes Payable on Import of a Motor Vehicles

Details	Description
Import Duty on new PV @ 15-20.00% + 5% ITBM + 5% Selective Tax + US\$225 for admin fees	Import duty payable to MEF (Economy and Finance Ministry)
Import Duty on used Vehicles @ 15%-25%	Import duty payable to MEF
Import Duty on 3W @ 15.00%	Import duty payable to SAT
ITBM for all types of vehicles@ 7.00%	VAT payable to MEF
Customs Value	The Customs declared value for this vehicle is based CIF value (Cost + Insurance + Freight)

Source: MEF (Economy and Finance Ministry) Via Internet, Frost & Sullivan

# Duty Structure for Import of Auto Components

All components are subject to 7% ITBM (Goods Transfer Tax)

## Duties and Taxes Payable on Import of a Auto Components

HS Code	Description	Import Tax	ITBM
8409.91.00	Suitable for use solely or principally with spark-ignition internal combustion piston engines	5%	7%
8483.10.00	Transmission shafts (including cam shafts and crank shafts) and cranks	0%	7%
8483.20.00	Bearing housings, incorporating ball or roller bearings	10%	7%
8483.30.00	Bearing housings, not incorporating ball or roller bearings; plain shaft bearings	10%	7%
8483.40.00	Gears and gearing, other than toothed wheels, chain sprockets and other transmission elements presented separately; ball or roller screws; gear boxes and other speed changers, including torque converters	3%	7%
8483.50.00	Flywheels and pulleys, including pulley blocks	10%	7%
8483.60.00	Clutches and shaft couplings (including universal joints)	10%	7%
8483.90.00	Toothed wheels, chain sprockets and other transmission elements presented separately; parts	10%	7%

Source: MEF (Economy and Finance Ministry) Via Internet, Frost & Sullivan

## Duty Structure for Import of Auto Components (continued)

All components are subject to 7% ITBM (Goods Transfer Tax)

Duties and Taxes Payable on Import of a Auto Components			
HS Code	Description	Import Tax	ITBM
8708.10.00	Bumpers and parts thereof	5%	7%
<b>Other parts and accessories of bodies (including cabs)</b>			
8708.21.00	Safety seat belts	5%	7%
8708.29.00	Other	5%	7%
<b>Brakes and servo-brakes and parts thereof</b>			
8708.31.00	Mounted brake linings	5%	7%
8708.39.00	Others	5%	7%
8708.40.00	Gear boxes	0%-5%	7%
8708.50.00	Drive-axles with differential, whether or not provided with other transmission components	0%-5%	7%
8708.60.00	Non-driving axles and parts thereof	0%-5%	7%
8708.70.00	Road wheels and parts and accessories thereof	0%-5%	7%
8708.80.00	Suspension shock-absorbers	0%-5%	7%

Source: MEF (Economy and Finance Ministry) Via Internet, Frost & Sullivan

## Duty Structure for Import of Auto Components (continued)

All components are subject to 7% ITBM (Goods Transfer Tax)

Duties and Taxes Payable on Import of a Auto Components			
HS Code	Description	Import Tax	ITBM
<b>Other Parts and Accessories</b>			
8708.91.00	Radiators	0%-15%	7%
8708.92.00	Silencers and exhaust pipes	5%	7%
8708.93.00	Clutches and parts thereof	0%-5%	7%
8708.94.00	Steering wheels, steering columns and steering boxes	0%-5%	7%
8708.99.00	Other	0%-5%	7%
8714.11.00	Saddles	10%	7%
8714.19.00	Other	15%	7%
8714.20.00	Of carriages for disabled persons	0%	7%
<b>Other</b>			
8714.91.00	Frames and forks, and parts thereof	10%	7%
8714.92.00	Wheel rims and spokes	10%-15%	7%
8714.93.00	Hubs, other than coaster braking hubs and hub brakes, and freewheel sprocket-wheels	10%	7%
8714.94.00	Brakes, including coaster braking hubs and hub brakes, and parts thereof	10%	7%

Source: MEF (Economy and Finance Ministry) Via Internet, Frost & Sullivan

# Duty Structure for Import of Auto Components (continued)

All components are subject to 7% ITBM (Goods Transfer Tax)

## Duties and Taxes Payable on Import of a Auto Components

HS Code	Description	Import Tax	ITBM
8714.95.00	Saddles	10%	7%
8714.96.00	Pedals and crank-gear, and parts thereof	10%	7%
8714.99.00	Other	10%	7%

## Impact on Indian Auto Component Manufacturers

- **India has no current preferential or free trade agreements with Panama**
- Auto parts do not require a special condition to the import process. The deal will be the same as any other load in general.
- Atmosphere for the imported item in Panama is very positive and the internal processes are fast. There are also some other aspects that also give a positive perspective
- Free Trade Zone in Panama is (Zona Libre de Colón) or Colón Zone.

Source: MEF (Economy and Finance Ministry) Via Internet, Frost & Sullivan



# **Market Insights Importers/ Distributors, Retailer and Mechanics**



## Sample Covered for Field Work in Panama

Frost & Sullivan has interacted with 20 respondents in Panama

Respondent Category	Quantity
Importer/Distributor	8
Retailers	5
Garage	2
OE Supplier	5

*Frost & Sullivan also interacted with 2 top auto components distributors in Panama*

Source: Frost & Sullivan

# Importers-Distributors



# Importer-Distributor - Overview

Importers and distributors sell to trade and directly to customers in Panama



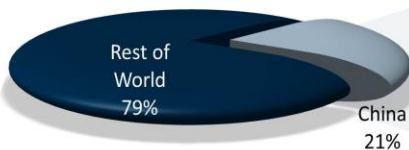
- Most auto components importers in Panama sell to the trade and retail to customers
- Importers deal directly with auto component manufacturers in countries like United States (28%), China (21%), the Colon Free Zone (16%) and South Korea (11%).
- Average inventory levels reports by distributors range between 2 and 3 months, however, some distributors report holding stock for 8 months to a year
- Credit periods with suppliers range from 30 to 90 days
- For manufacturing of new products, importers who deal directly with manufacturers in China pay 100% for the first 3 imports and for subsequent negotiations 50% at the time of placing the order and the remaining at the time of receipt of parts.
- The challenges reported by importers include long lead time, arrival of wrong products and/or damaged products

Source: Frost & Sullivan

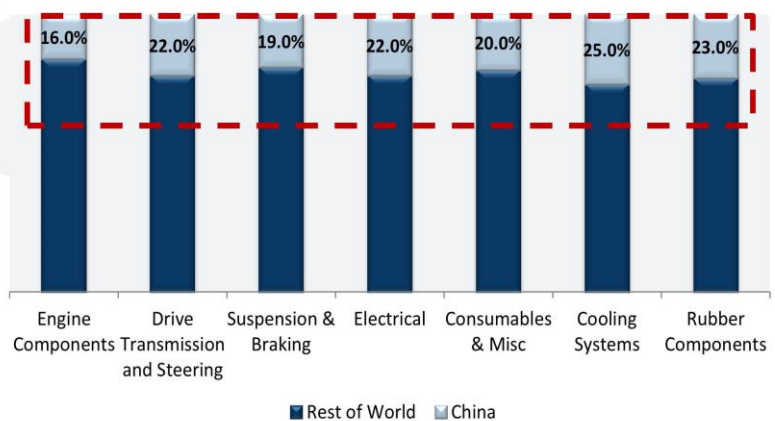
## Importer-Distributors' Sourcing from China

Low quality perception of Chinese components restrains their potential in some component categories

Share of Importer-Distributor Sourcing from China



Share of Chinese Imports by Component Category



- The relatively low import of Chinese components in the engine components category, and in the high potential consumables and rubber components categories present a direct advantage to potential suppliers from India
- This low import of Chinese engine parts is also indicative of a perception of the low reliability of these parts, and consequently an apprehension to use them

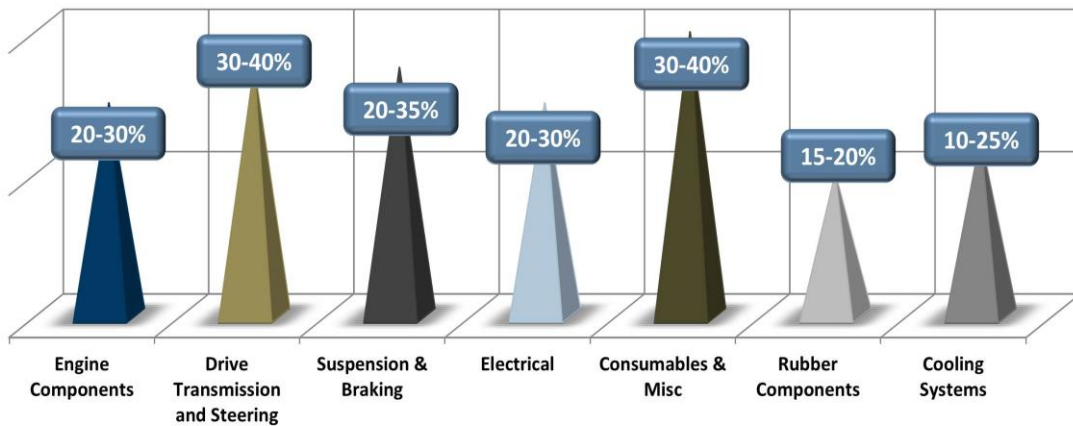
Source: Frost & Sullivan



# Importer-Distributor Margins

Importer-distributor average margins can be as high as 40% on some parts

## Importer-Distributor Margins on Auto Components



- Since there are no price controls determined by OEM, the importers and / or distributors need to set their own prices. As an example, the parts of TOYOTA, the best-selling brand in Panama, are imported from Japan by Ricardo Pérez SA, the largest distributor in the country. This way, other TOYOTA dealers buy their parts with this company.
- Consumer prices of other importers tend to be lower than those of direct importers, since they must place their products on the market at a maximum price similar to the direct importer of the brand. While this obviously affects their margins, due to the fact that the direct importer could obtain better prices for volume.

Source: Frost & Sullivan

# Willingness to Selling Indian Brands

Indian brands might be considered to be higher quality than Chinese options, and more sellable in the market as consumers have capability

● Low/Poor ● Medium/Average ● High/Good

Importer/Distributors and Indian Brands	
Previous Experience(s) Dealing with Indian Suppliers	●
Awareness of Specific Indian Brands	●
Perception of Quality of Indian Brands	●
Perception of Product Development Capability of Indian Manufacturers	●
Willingness to Trade with Indian Suppliers	●

- Perception about Indian products is limited to the 2W and 3W segments.
- The “Indian brand” is perceived by distributors and bigger retailers to have more quality than the Chinese. This perception comes from the fact that in general Indian products (like motorcycles) have better quality than Chinese counterparts.
- Mechanics and smaller retailers will be harder to move upon Indian companies due to the price difference of the Chinese parts. They would prefer to remain with low quality products and higher margins.

Source: Frost & Sullivan

# Distributor Profiles - I

Auto Partes Japonesas is one of the oldest and leading Auto Components Distributors in Panama



**AUTO PARTES JAPONESAS**  
"A SUS ORDENES DESDE 1976"

<b>Company Name</b>	Auto Partes Japonesas	<b>Contact Person</b>	Jacobo Batinovich
<b>No. of Year in the Business</b>	40	<b>Designation</b>	Sales Manager
<b>Contact Number</b>	00507-279-5200 00507-260-1011	<b>Email Address</b>	<a href="mailto:ventas@autoimportpty.com">ventas@autoimportpty.com</a>

Head Office: Urbanizacion Industrial, Panama

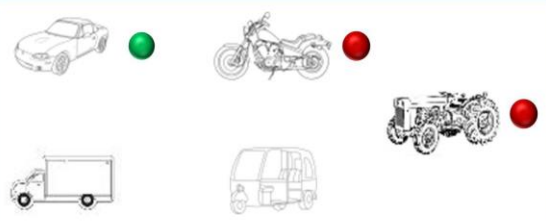
No of branches: 3

Business Assets



Storage Space: 40,000 sq. ft.

## Segments Covered



- Engine Components
- Drive Transmission and Steering
- Suspension & Braking
- Electrical
- Consumables & Misc.
- Rubber Components
- Cooling Systems
- Filtration (Air, Oil and Fuel)

Source: Frost & Sullivan

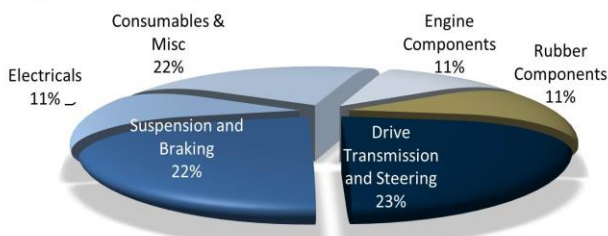
# Distributor Profiles – I (continued)

Auto Partes Japonesas only imports parts from Japan. Not interested in imports from India by now



**AUTO PARTES JAPONESAS**  
"A SUS ORDENES DESDE 1976"

## Share of Different Component Categories Sold by the Distributor



## Share of Imports by Country of Origin



## Top Models Catered To

Make	Models
TOYOTA	COROLLA and YARIS
NISSAN	SENTRA and TIIDA
MITSUBISHI	MIRAGE and LANCER
DAIHATSU	TERIOS

## Chinese Brands in the Distributor's Business

Distributor for Chinese Brands	No
Share of Chinese Brands in Total Business	N/A

Source: Frost & Sullivan

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# Distributor Profiles – I (continued)

Not interested in import from India.

Good perception about Indian components



AUTO PARTES JAPONESAS

"A SUS ORDENES DESDE 1976"

## Interest in Dealing Indian Parts



The distributor is not interested to understand the capabilities of Indian Component Manufacturers in terms of product portfolio and product development capability

### Categories of Interest

✓ None

## Top Indian Auto Component Brands Recalled by the Distributor

None

*"We are not interested in import parts from India, we are specialized in Japanese brands. Indian parts have good quality, but is not our segment by now"*

- M, Autopartes Japonesas



### Distributor Expectations from Indian Suppliers

- **Price** – Cheaper than Japanese components
- **Quality** – Good quality
- **Product Range** – Better product range is a must
- **Marketing** – Aggressive marketing to create product and brand awareness
- **Terms of Trade** – Match existing terms

Source: Frost & Sullivan

# Distributor Profiles - II

DIAUTO is an importer of auto parts based in Medellin, Colombia, with 4 branches in Colombia and one in Panama.



<b>Company Name</b>	DIAUTO (Importadoras Asociadas)	<b>Contact Person</b>	Erick Barranco
<b>No. of Year in the Business</b>	20	<b>Designation</b>	Caribbean Sales Manager
<b>Contact Number</b>	00507-208-9114	<b>Email Address</b>	<a href="mailto:mayor-pa2@diauto.com.pa">mayor-pa2@diauto.com.pa</a>

Head Office: Medellin, Colombia

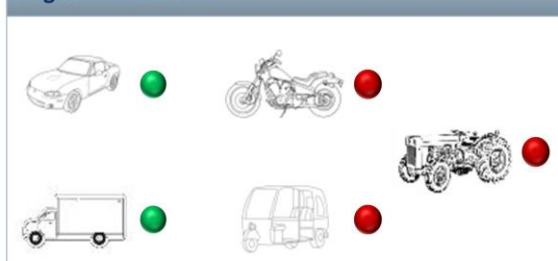
No of branches: 4

Business Assets



Storage Space: 50,000 sq. ft.

### Segments Covered



- Engine Components
- Drive Transmission and Steering
- Suspension & Braking
- Electrical
- Consumables & Misc.
- Rubber Components
- Cooling Systems
- Filtration (Air, Oil and Fuel)

Source: Frost & Sullivan

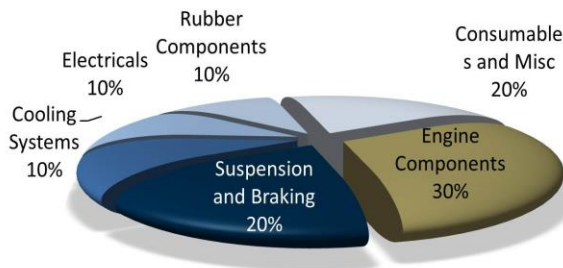
51

# Distributor Profiles – II (continued)

DIAUTO Panama only imports Korean components



## Share of Different Component Categories Sold by the Distributor



## Share of Imports by Country of Origin



Top Models Catered To	
Make	Models
KIA	Picanto, Rio and Soul (SUV)
HYUNDAI	Accent, Elantra

Chinese Brands in the Distributor's Business	
Distributor for Chinese Brands	No
Share of Chinese Brands in Total Business	N/A

Source: Frost & Sullivan

# Distributor Profiles – II (continued)

Indian components are of good quality, and if they match specifications they can be sold easily in Panama



## Interest in Dealing Indian Parts



- Indian auto components are perceived as good auto components
- They can be easily sold if prices are competitive, and quality is better than that of Chinese parts

## Top Indian Auto Component Brands Recalled by the Distributor

None

*Headquarters in Colombia could be interested in sell Indian components. Call to General Manger Mr. Esteban Mejia at [export@Importadorasasociadas.com](mailto:export@Importadorasasociadas.com)*



### Distributor Expectations from Indian Suppliers

- **Price** – Match the prices of Chinese components
- **Quality** – Must be better than mid grade Chinese products
- **Product Range** – Wide product variety is a must
- **Marketing** – Extensive campaigns to raise awareness of the brand and the products
- **Terms of Trade** – Small MOQs
- **Lead Time** –30-50 days

Source: Frost & Sullivan

# Retailers



# Retailer - Overview

Some distributors stick to higher quality products, while other offer a variety of products in terms of quality and price

Auto Component Retailers in Panama	
Average Stock Held	2 weeks to 3 months
Retailer Margins	20-40%
Credit Facility to Mechanics	No

- China manufacturer’s flexibility has been key to be chosen by suppliers to Colombian distributors. Being able to buy small quantities, credit options, and a wide product portfolio were mentioned as key aspects.
- Retailers generally maintain inventories from 3-4 weeks to 3 months but will vary depending on the product. More complex products like engine components and cooling systems may have longer inventory periods.
- The illegal market plays an important role as there are original parts sold in the market with an accessible price. There are established retailers that sell stolen parts in Panama
- Mechanics being key influencers in the choice of auto component used in a vehicle (DIFM channel is the most important in Panama).
- In the past, retailers were more incentivized to sell specific brands, but nowadays as margins are shrinking this practice is also being reduced.

Source: Frost & Sullivan

## Fast Moving Auto Components - Retailer Perspective

Harsh driving behaviour, road quality and overloading practices drive demand for suspension and braking components making it an attractive segment

Component Category	Fast Moving Components
Engine Components	Pistons Piston Rings Cylinder Liners Cylinder Head Gaskets Engine Bearing Engine Valves Crank shaft Connecting Rods Cylinder heads
Drive Transmission & Steering	Clutch Assembly Clutch Plate Ball Suspension Joints
Suspension & Braking	Brake Pads Brake Shoe Master Cylinder Kit Shock Absorbers

Source: Frost & Sullivan

# Fast Moving Auto Components - Retailer Perspective

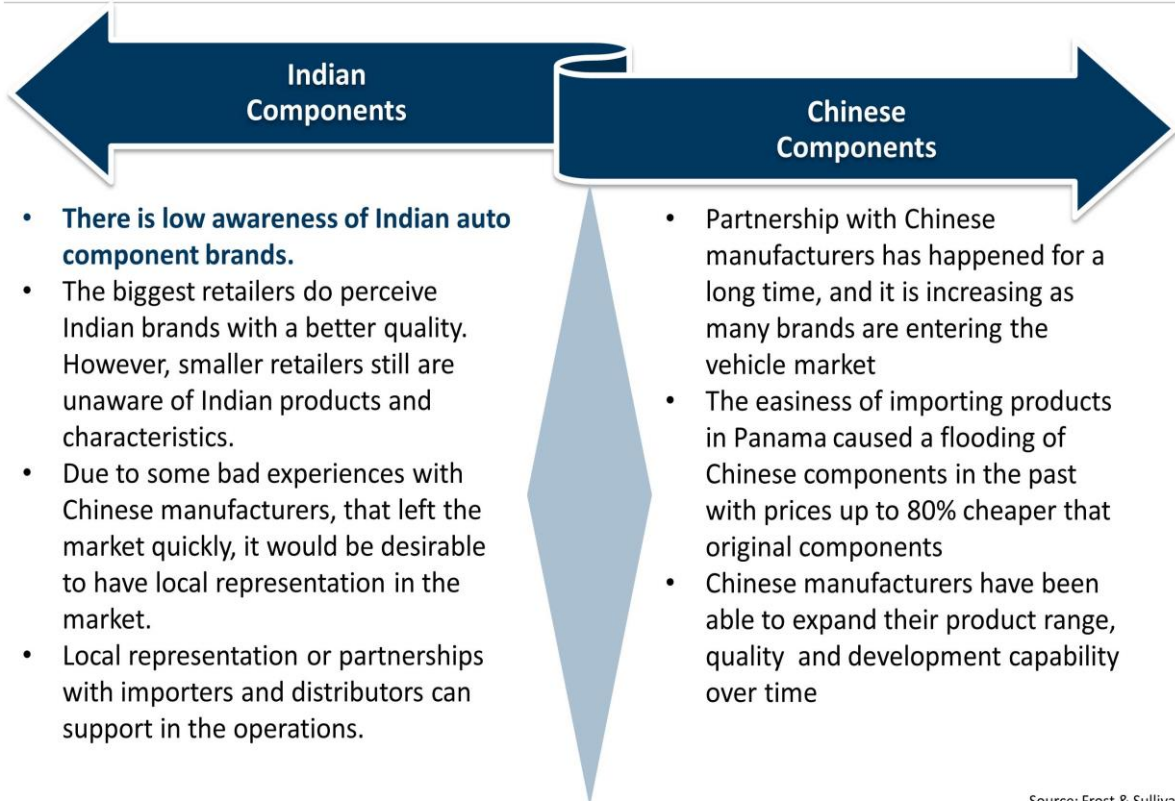
Dusty or rainy conditions in the suburbs and rural areas, contribute to the demand for consumables.

Component Category	Fast Moving Components
Electricals	Starter Alternator Head lamp Assembly Tail Lamp assembly
Consumables & Misc	Air Filter Fuel Filter Oil Filter Wheel Bearing Wiper Blades
Rubber Components	Hoses Oil Seals Strut Mountings
Cooling Systems	Water Pump Oil Pump

Source: Frost & Sullivan

## Chinese vs. Indian Parts – Retailer Perspective

Indian Manufacturers lose out because they do not have products readily available for the market



Source: Frost & Sullivan

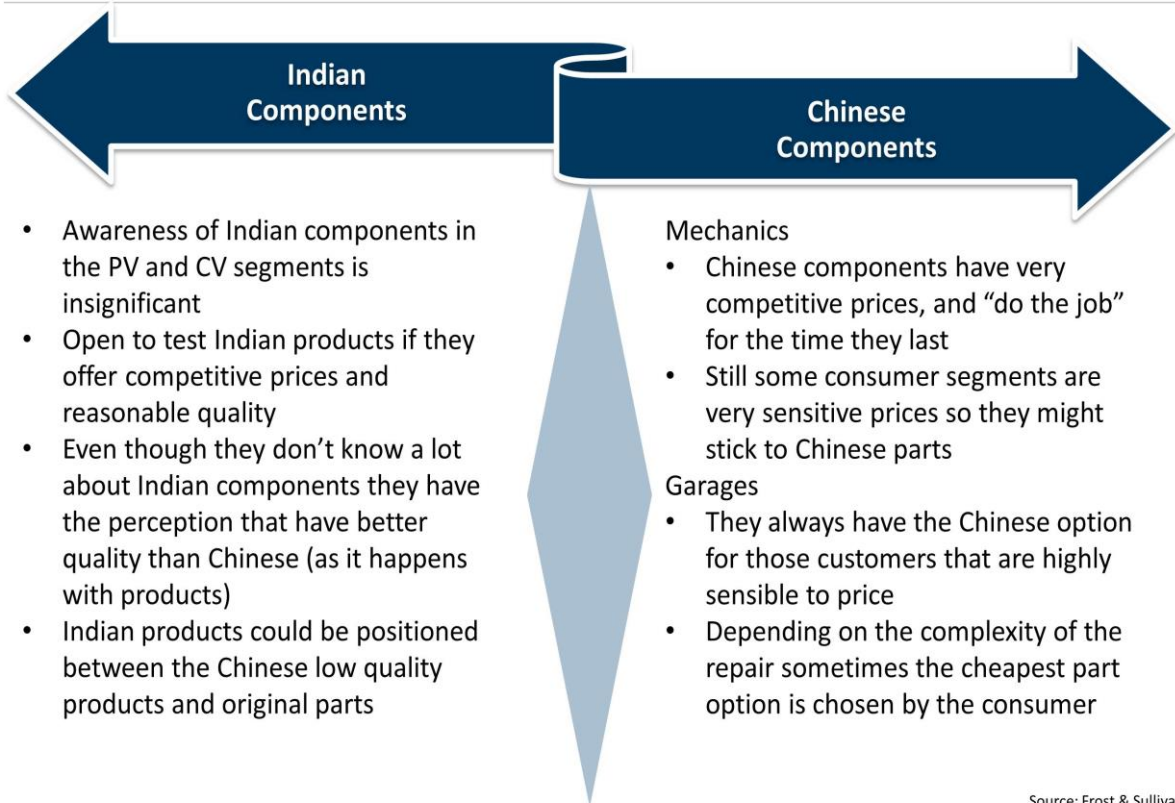
# Garages & Mechanics





# Chinese vs. Indian Parts – Garages and Mechanics Perspective

Garages will use Chinese components in circumstances where the overall repair cost is too high, or a customer specifically requests for cheap parts



Source: Frost & Sullivan

**Thank You**





## Automotive Component Manufacturers Association of

The Automotive Component Manufacturers Association of India (ACMA) is the apex body representing the interest of the Indian Auto Component Industry.

ACMA represents over 740 companies, which contributes to more than 85% of the total auto component output in the organised sector. In the domestic market, they supply components to vehicle manufacturers as original equipment, to tier-one suppliers, to state transport undertakings, defence establishments, railways and even to the replacement market. A variety of components are being exported to OEM's and after-markets world-wide.

ACMA has played a critical role in growth and development of the auto component industry in India. Its active involvement in trade promotion, technology up-gradation, quality enhancement and collection and dissemination of information has made it a vital catalyst for this industry's development. Its other activities include participation in international trade fairs, sending trade delegations overseas and bringing out publications on various subjects related to the automotive industry.

ACMA's charter is to develop a globally competitive Indian Auto Component Industry and strengthen its role in national economic development as also promote business through international alliances.

ACMA is represented on a number of panels, committees and councils of the Government of India through which it helps in the formulation of policies pertaining to the Indian automotive industry.

For exchange of information and especially for co-operation in trade matters, ACMA has signed Memoranda of Understanding with its counterparts in Brazil, Canada, Egypt, France, Germany, Hungary, Iran, Italy, Japan, Malaysia, Nigeria, Pakistan, Russia, South Africa, South Korea, Spain, Sweden, Thailand, Tunisia, Turkey, UK, USA and Uzbekistan.

ACMA is an ISO 9001:2008 Certified Association

Further information and data on the Indian automotive industry is available on the ACMA Website: [www.acma.in](http://www.acma.in)

Automotive Component Manufacturers Association of India

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