सत्यमेव जयते

Automotive Component Manufacturers
Association of India

Ministry of Heavy Industries and Public Enterprises
Government of India

Global Auto Components Aftermarket Industry

Market Dimension and Addressable Opportunities

Phase 1: Country Snapshot – Nigeria

May 2016

Knowledge Partner

FROST & SULLIVAN

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Executive summary

Key Insights

Indian Auto Parts are perceived as better than Chinese parts on quality

Vehicle Parc

- The total auto component aftermarket potential in Nigeria is estimated at US$ 1.3 billion
- The passenger vehicle parc of 6.9 million is diverse with no single dominant model
- In PV Japanese Brands account for 62% (Toyota, Honda and Nissan); In CV US Brand: 28% (Mack) and EU Brands: 36% (MAN and Mercedes) Dominate
- Bajaj, TVS, and TATA Motors are the Indian OEMS present in the market

Perception of Indian Auto Components

- Nigerian customers are not wiling to pay premium for Indian Auto-components though they are perceived as consistent in quality unlike the Chinese. Indian parts are of same good quality. The Chinese have a mix of poor and good quality
- Brand visibility of Indian brands is very less compared to Chinese parts

Auto Components Market

- Importers sell not only to trade but also directly to customers
- Mechanic influence is very high in choice of brand of components
- The gray market accounts for 65% of the total IAM, with China and Dubai accounting for major share
- China, Thailand, Korea and Germany are the key origins of imported components

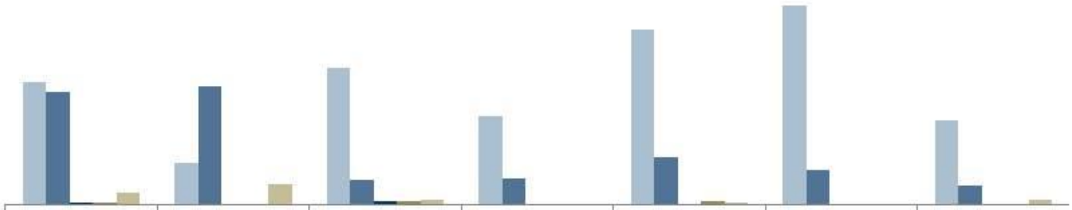
Source: Frost & Sullivan

Unique Trends in the Nigerian Automotive Market

Used Cars	Around 75 to 80% of Passenger Cars and 85% of Commercial Vehicles sold are used ones
Investments	Pioneer status is a tax holiday granted to eligible industries anywhere in the country and five-year tax holiday in respect of industries located in economically disadvantaged areas. At the moment, there is a list of 71 approved industries declared pioneer industries, including vehicle manufacturing which includes automotive components
Local Vehicle Assembly	The new automotive policy is aimed at encouraging local production of vehicle and creation of jobs in the country. This has led to many OEMs such as Nissan and Hyundai to set up assemblies in the country with PV production increasing to more than 50,000 by end of this decade Local production will grow at a CAGR of 69.8% from 2,500 units in 2015 to 60,000 units by 2020, driven largely by government policies such as increasing duties on imported cars.

Auto Component Market Size

The total auto component aftermarket potential in Nigeria is estimated at US$ 1.3 billion



	Engine Components	Drive, Transmission & Steeering	Suspension & Braking	Cooling Systems	Electricals	Consumables and Misc	Rubber Components
PV	128.9	43.8	143.9	93.7	184.3	208.8	88.5
CV	118.7	124.6	26.9	27.4	50.6	37.3	21.1
2W	2.4	0.9	4.6	0.0	1.3	1.0	0.5
3W	3.0	0.9	4.6	0.0	4.4	1.0	0.5
Tractor	13.3	22.8	6.4	1.3	2.2	1.4	6.1

- A key factor behind the high auto component potential in Nigeria is the average vehicle age; 83% of passenger cars and 70% of commercial vehicles are over 10 years old
- Bajaj accounts for 25% of the total 2 wheelers imported to Nigeria in the last 10 years, and 57% of the 3 wheelers imported to Nigeria over the same period

Revenues in Million US $

Source: Frost & Sullivan

Similarities Between the Nigeria Vehicle Parc and Indian Models

Except 2W and 3W, in other segments very less similarity between India and Nigerian vehicles

Nil Low Medium High

	Possible Similarity Between Nigerian Vehicle Parc and Indian Models	
	Possible Similarity in the Segment	**Key Indian Vehicle Models**
Passenger Vehicles		Hyundai Sonata, Honda Accord/Civic Toyota Camry
Commercial Vehicles		Mack Mercedes
2 Wheelers		Bajaj - BM100, BM150, Boxer TVS - Star City, Max 100R
3 Wheelers		Bajaj -RE TVS - King /King GS
Tractors		Mahindra 605/FT60 New Holland - TT75

Source: Frost & Sullivan

Sample Covered for Field Work in Nigeria

Frost & Sullivan has interacted with 53respondents in Nigeria

Respondent Category	Quantity
Importer/Distributor	21
Retailers	15
Garage	16
OE Supplier	1

Frost & Sullivan also interacted with 3 top auto components distributors in Dubai

Source: Frost & Sullivan

Perception of Indian Auto Components

Nigeria Automotive Stakeholders perceive Indian parts lack the visibility compared to the Chinese counterparts

Impact of Chinese Competition	• Nigerian customers have preference for Chinese parts as they are cheaper with acceptable quality • Chinese components are available in varying grades of quality and prices
Market Perception of Indian Auto Components	• Indian auto components are considered to be of better quality as compared to Chinese components; however Chinese components are perceived to have better packaging and finishing
Willingness of Local Businesses to Sell Indian Auto Components	• Indian component should have a product range with good packaging and competitive pricing to make an entry in Nigerian market

Source: Frost & Sullivan

Indian Auto Component Manufacturers - SWOT Analysis

Strengths

- Indian auto components are considered reliable and better quality than Chinese

Weaknesses

- Lack of product range
- Poor product packaging quality and lack of product finishing
- No local representation

Opportunities

- General openness in the market to trade in Indian auto components
- Small but growing parc of Indian 2 wheelers and commercial vehicles

Threats

- Capability to develop products and manufacture in a short time frame compared to Chinese counterparts
- Inability to be as price competitive as competing Chinese options

Source: Frost & Sullivan

Critical Success Factors

- Build and enhance product development capability
- Product range needs to be developed for passenger and commercial vehicle segments which present the most significant opportunities

- Packaging quality and product finishing are critical
- Participation in local events, and organizing meets /events in the market
- Brand building activities through regular contacts with the stake holders

- A local representative in the market can help engage with the trade garages
- A local representative can provide real time feedback on market developments and aid in product development

- Price levels must be competitive with the mid-level Chinese products
- Acceptable price and product quality will help to ensure strong demand for Indian components

Source: Frost & Sullivan

Economic and Political Risks

Nigerian economy is highly vulnerable to international oil prices while the society suffers from inequality and poverty.

Economic Risks	• The country's high level of dependency on oil revenues which contribute to 90% of total exports and 80% of tax revenues increases its vulnerability to external shocks such as oil price fluctuations. This is the country's key structural risk. • Nigeria has a high rate of youth unemployment combined with high poverty and inadequate health and education system. This has made it difficult to achieve inclusive growth causing social inequality and instability. • Insecurity and corruption are constraining the business environment
Political Risks	• The security condition remains tense in the Niger Delta, the oil production area, and above all has sharply worsened in the north with the escalation of the actions of the radical Islamist movement Boko Haram. • Generally, substantial unemployment, poverty and regional economic disparities are fuelling the violence and social instability.

Source: OEC, Frost & Sullivan Analysis

Recommendations

Product range and lead time are the key elements to succeed; stake holders willing to pay an incremental premium for Indian parts over Chinese

Suggested Road Map to enter Nigeria for ACMA Members	
Segment	• **The 2w and 3w segments which has a potential of USD 25 million** presents a significant opportunity to ACMA members owing to – Presence of Indian models – Most parts except engine components are interchangeable between Indian and Chinese • The CV segment presents low potential in the immediate given the presence of **TATA and Ashok Leyland products in the market accounting for less than 5% of CV parc** • The immediate opportunity in the PC segment is low as there are limited Indian models in the vehicle parc • The long term opportunity in the market is high provided the Indian suppliers strengthen their Product Development Capability
Product Development	• For segments other than the 2w and 3w segments, Indian suppliers have to develop products to address at least 80% of the parc • **Product durability is key** – Indian suppliers have to test these products on Nigerian road conditions before launch in order to ensure component durability • Indian suppliers must set up new dedicated project teams with the sole responsibility of identifying and generating new references • **Critical factor in product development is the lead time** – ensure turnaround time of 90 days for new product development to compete with Chinese suppliers

Source: Frost & Sullivan

Recommendations

Product range and lead time are the key elements to succeed; stake holders willing to pay an incremental premium for Indian parts over Chinese

Suggested Road Map to enter Nigeria for ACMA Members	
Quality	• **The general perception among Nigerian stakeholders is that Indian products are better than Chinese alternates** – reinforce this perception by providing high quality products.
Price	• The Nigerian consumer is highly price sensitive given the state of the economy and fluctuating currency • Distributors, Retailers and Mechanics opined that it is difficult to sell Indian parts if the prices are more than Chinese
Promotion	• Organized and participate in road shows and product seminars with local stakeholders including the trade, and, garages and mechanics • Giveaways will help promote products and enhance brand recall
Channel	• Low MOQs are preferred and hence it is imperative to operate through dealers in Dubai, at least for the short term • In the long run, as brand awareness grows, Indian suppliers can look at exporting full containers where 4 to 5 dealers can benefit from a single container load • Appoint as many stockists as possible to ensure product availability

Source: Frost & Sullivan

What Should ACMA Members Do?

Key Challenges

Current weak connect WITH the market	Indian parts are currently sparcely available	Competitors offer friendly business terms

Approach

Establish Local Liaison

- Forge relationships with local association and key distributors and retailers
- Represent and promote Indian suppliers at regional industry events
- Provide local traders with a point of contact for grievance resolution

Create a Wide Stockist Network

- Focus on Suspension and Braking, Consumables and Transmission components
- Spread stockist and dealer representation across Lagos, Abuja, Kano, Ibadan, Kaduna

Offer Attractive Low MoQs

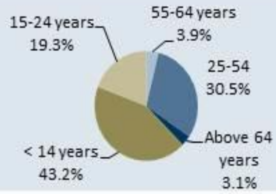
- It is imperative that the suppliers are able to provide low minimum order quantities

Source: Frost & Sullivan

Country Snapshot

Nigeria Country Profile

Of the population, 47% resides in urban areas

Area	923,768 sq. km
Population	Total: 182.2 million (2015); Growth 2.8% (2014 est.) 47% population resides in urban areas
Male Female Population	
Population by age group	
Key cities	Lagos, Kano, Ibadan, Kaduna
Legal Driving Age	18 years
Vehicle driving mode	Right

Source: World Bank, IMF, Frost & Sullivan

Nigeria is the 26th largest economy in the world

Economy is likely to grow at a CAGR of 11% over the next 5 years

Growth in Gross Domestic Product, Nigeria, 2004-2014


Services sector accounted for 52% of the GDP; the remainder evenly split between agricultural and industrial contribution


Lack of public transportation system leads to high vehicle ownership and the trend points to higher penetration in future


100% of cars imported– Global OEM Powertrain decisions impact Nigerian market; Establishment of local car assembly plants by 2018 (Government and privately owned)

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 after market

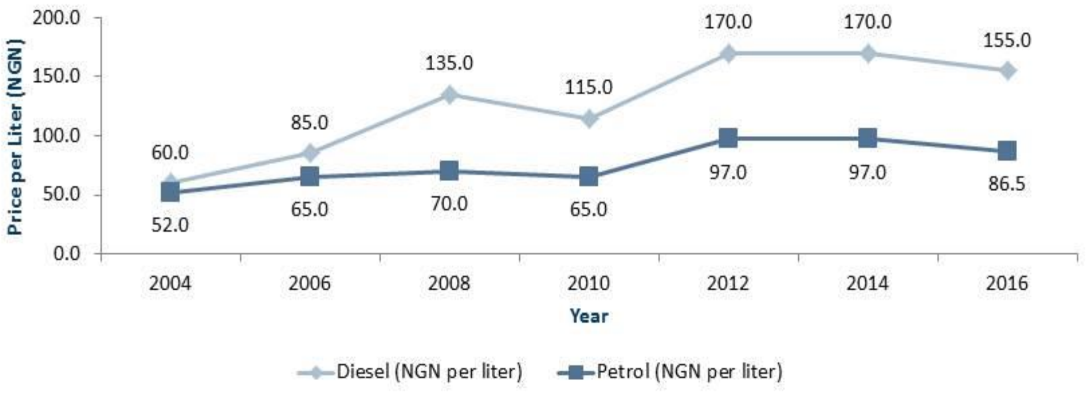
Source: World Bank, IMF and Frost & Sullivan analysis
CAGR calculated for a 5 year period 2014 to 2018

Note: GDP does not include Producers of Government Services and Total Except Import Duties

Nigeria – Fuel Price Fluctuation

Nigeria enjoys low fuel price in the East African Region

Fuel Price Fluctuation, Nigeria, 2004-2014



- The price of diesel in Nigeria is 8.5% lower than the world average price of diesel
- In December 2015, the Federal Government of Nigeria scrapped the fuel subsidy scheme and allowed operation of market determined prices; however, the pump prices are now and then determined at the discretion of the government to avoid public backlash (eg. In Feb 2016,the petrol prices were slashed NGN 10)

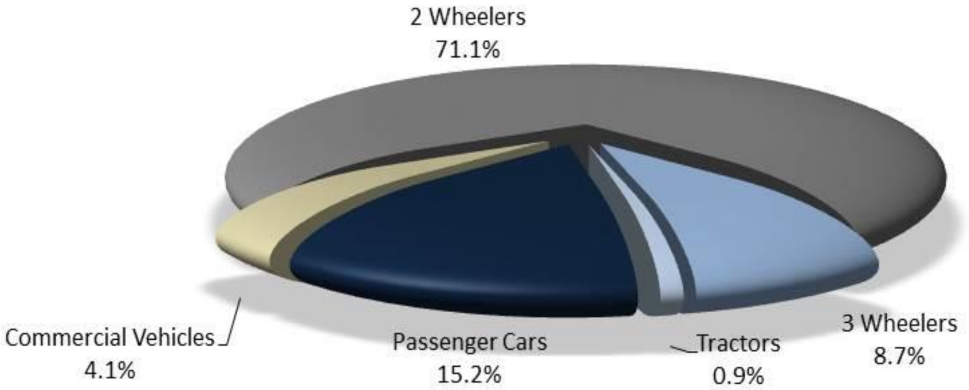
Source: World Bank, Frost & Sullivan

Automotive Industry in Nigeria

Automotive Industry Overview

Primarily a used vehicle market with a very diverse brand composition

Automotive Industry Sales, Share by Vehicle Category, 2015



- Nigeria is primarily a used vehicle market, completely dependent on imports for all types of vehicles; 79% of passenger cars and 84% commercial vehicles sold in the market are used vehicles
- Nigeria is dominated by sedans and vans/pickups with both comprising almost 70% of the total Passenger Vehicle Sales
- Nigeria's commercial vehicles industry is mostly controlled by used vehicle imports. This is mainly due the fact that most Nigerians have limited resources to purchase new vehicles. This has obstructed the development of local vehicle parts and car manufacturing industry

Total Vehicle Sales 2015: 1.8 million

Source: Frost & Sullivan

Drivers and Restraints in Nigeria Automotive Sales

Overall economic growth will provide a platform for growth of the automotive industry

Market Drivers
Government expenditure drives Nigerian economy
Service sector growth drives passenger vehicles sales
Increasing employment and economic growth further increases per capita income and drives sales of passenger vehicles and commercial vehicles.
Lack of public transportation system leads to high vehicle ownership and the trend points to higher penetration in future

Market Restraints
Significant numbers of commercial vehicles smuggled illegally into the country.
Unemployment in Nigeria has been on the rise since 2008, when it was 14.8%. It is expected to continue till the oil prices stabilize
Lack of adequate technology for local assembly of automobiles
Erratic energy supplies and the high cost of producing vehicles

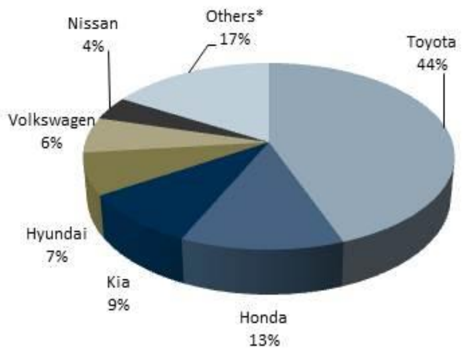
Source: Frost & Sullivan

Passenger Vehicle in Nigeria

Passenger Vehicle Segment Overview

Toyota is the market leader, by far, in the passenger cars segment

Total Passenger Vehicle Parc 2015: 6.9 million



Nil · Low · Medium · High

Make	Top Models*	Similarity with Indian Models
Toyota	Corolla, Camry, Land Cruiser 70, Hilux	Low
Hyundai	Sonata	High
Nissan	Nissan Pathfinder, Pickup	Low
Honda	Honda Accord, Civic	Medium
Kia	Picanto, Rio	Low

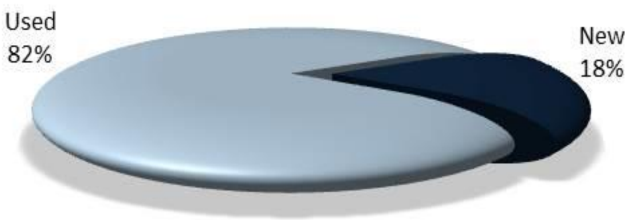
- The Toyota brand was first introduced to Nigeria in 1965 and its quality product line up, strong and superior marketing effort, propelled by excellent after sales services has made it the most popular brand in Nigeria
- Japanese car imports through South Africa helped them become the biggest player in the market
- Japanese and Korean manufacturers such as Toyota, Honda, Kia, Hyundai and Nissan dominate the Nigerian market due to ease of availability and popularity
- Toyota has strong dominance in Nigerian market on pick-up demand (Hilux) which is used for both personal as well as commercial purposes throughout the country

*Others include Ford, GM, Mercedes, etc

Source: Frost & Sullivan

Passenger Vehicle Segment Overview (continued)

Government has identified the automotive industry as pioneer industry which entitles investors to several perks and benefits



- Luxury cars remain a small part of the new vehicle sales
- As middle income develops they will buy sedans and hatchbacks
- The contribution of hatchbacks to the overall vehicle population remains constant and hovers around 5%.
- Petrol is the dominant fuel due to the pricing subsidy , which was there till December 2015
- Domestic production is expected to rise substantially with Western and Asian OEMs in talks with the government to setup-up new plants and assembly units locally

Total Passenger Vehicle Sales 2015: 329,100

Passenger Vehicle Usage Conditions

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

Daily Driving Patterns

- The average annual distance covered for personal passenger cars ranges from 16,000 kms in rural areas to 28,000 kms in urban Nigeria
- General driving habits such as lane discipline and braking are average, however, some taxi drivers are known to be rash with rapid acceleration and harsh braking

Driving Conditions

- Traffic congestion is a challenge in the main cities; Rush hour traffic can be bumper to bumper in urban areas
- Average driving speeds within the city range from 30-50 kmph
- Road conditions range from good to average within the city, but tend to deteriorate in the suburbs and outskirts of the city

Source: Frost & Sullivan

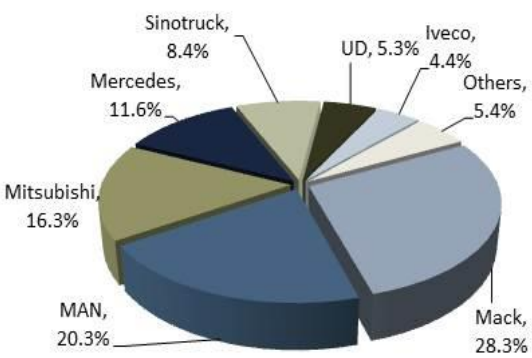
Commercial vehicle in Nigeria

Commercial Segment Overview

The TATA Motors 2516 is a preferred platform in the construction segment

Nil   Low   Medium   High

Total Commercial Vehicle Parc 2015: 0.7 million



Make	Top Models*	Similarity with Indian Models
Mercedes Benz	Actros, Axor, Atego	Nil
Mitsubishi Canter	FE84, FE85, FE71	Nil
TATA	ACE, LPT series	High
Ashok Leyland	Falcon, Hawk	High
MACK	Granite, Vision	Nil
Iveco	Eurostar	Nil

- Mack is the leading player in Nigeria with a market share of 28.3%
- Mack, Man and Mercedes are the most preferred brands amongst the used vehicle imports because of its ease of service
- It is estimated that the European players will continue to lead the market share with its strong product suited for Nigeria coupled with after sales service

Others includes, but is not limited to Tata, Ashok Leyland, Renault

Commercial Vehicle Segment Overview (continued)

European brands are common in long haul heavy duty applications

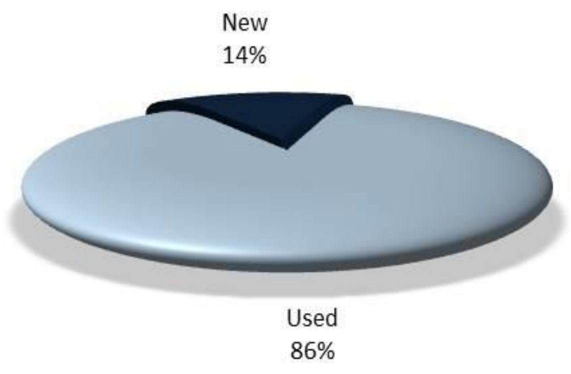



- Nigeria relies heavily on road transport with over 90% of surface transport of goods happening by road. Rail transport accounts less than a half per cent to the gross domestic products of the transport sector
- Cargo handling for inter and intra city transportation creates the demand for light and medium duty trucks
- Close to 82 percent of the vehicles demand come from the category having GVW less than 16.0 tons
- Tractor Trailers are the most selling application in the long haulage heavy duty market as haulage is the most common application in Nigeria
- There is rampant overloading across the country

Source: Frost & Sullivan

Commercial Vehicle Segment Overview (continued)

New Vehicle Sales are mostly in LCV segment



- Mitsubishi, Iveco and TATA dominate the new commercial vehicle sales in 2015.
- Key market participants are focusing on products suitable to Nigeria terrain, business application and crew needs to increase their foothold
- Used Vehicles mostly comprises of European Models

Total Commercial Vehicle Sales 2015: 84,400

Commercial Vehicle Usage Conditions

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

Daily Driving Patterns

- The average annual distance covered is 80,000- 120,000 kms for heavy duty trucks and around 70,000 kms for light and medium duty trucks
- Public transport commercial vehicles are driven rashly within the city limits

Driving Conditions

- Traffic congestion is a challenge in the cities
- Road conditions range from good to average within the city, but tend to deteriorate in the suburbs and outskirts of the city
- Overloading is a common practice in smaller cities and secondary freight corridors, with high overloading noted in rural areas
- The use of adulterated fuel is high in commercial vehicles

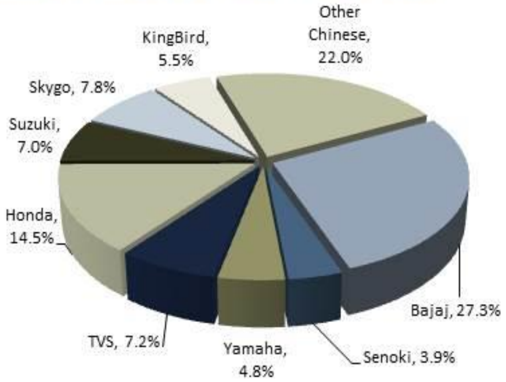
Source: Frost & Sullivan

2 wheeler market in Nigeria

2 Wheelers Segment Overview

Indian and Chinese brands dominate the 2 wheeler market in Nigeria

Total 2 Wheeler Parc 2015: 5,433,000



Nil · Low · Medium · High

Make	Top Models*	Similarity with Indian Models
Bajaj	BM100, BM150	High
TVS	Star City	High
Yamaha	Crux (India), AG 100	High
Skygo (Chinese)	125-3, 150-7	Medium
KingBird (Chinese)	KB150	Medium

- 2Ws (known as 'OKADA') in Nigeria are used for commercial purposes for short distance travel, due to the lack of good public transportation
- Bajaj is the market leader with around 27% market share followed by Honda at 14.5%
- Unlike the passenger car and commercial vehicle segment, the 2 wheeler segment is dominated by new vehicle sales
- Two wheelers market in Nigeria is likely to grow at the rate of 10% per annum
- Two wheelers are used mostly for commercial purposes –hence more demand for low cost products
- Indian OEMs face stiff competition from Chinese OEMs; however Indian bikes are perceived as better quality and slightly priced higher

*Others includes, but is not limited to Unigo, Qlink, Fireird,,etc

Source: Frost & Sullivan

2 Wheeler Usage Conditions

Rash riding and bad roads are common usage conditions for 2 wheelers

Daily Driving Patterns

- OKADA motorcycles are run for around 8-10 hours a day and cover an annually cover a distance of 20,000
- Motorcycles are also used for goods transport of small loads ranging from 80-100 kgs
- There is public opinion building to ban OKADA in Lagos due to many accidents, traffic violations , indiscriminate parking and also many criminal activities like bag snatching

Driving Conditions

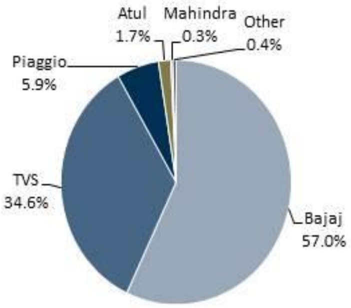
- Motorcycles running within the city run on paved roads, however a majority of public transport motorcycles run on interior roads and in the suburbs and rural areas where road quality is average or poor
- Despite bad road conditions, rash driving is rampant, leading to major accidents
- Harsh acceleration and deceleration while weaving through heavy city traffic is common

Source: Frost & Sullivan

3 wheeler market in Nigeria

3 Wheeler Segment Overview

Nigeria has imported around 280,000 auto rickshaws from India since 2004



● Nil ● Low ● Medium ● High

Make	Top Models*	Similarity with Indian Models
Bajaj	RE	●
TVS	King GS	●
Piaggio	Ape City	●
Atul	Smart	●

- 3 wheelers in Nigeria are ideally suited and preferred for public transport and goods movement
- The absence of a robust public transportation system is one of the key factors driving the demand for 3 wheelers
- Nigeria is one of the key export 3 Wheeler markets for Bajaj, where the company is expected to retain its market leadership
- Bajaj is the market leader for 3 wheelers in Nigeria, accounting for 60.0% of the market
- Other prominent brands in the market include TVS and Piaggio, while brands such as Atul and Mahindra have a limited, yet growing presence
- Growing public opinion due to safety aspects compared to OKADA will drive sales

*Others include Tuk Tuk, Nexus, Force, etc

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 distance covered annually ranges from 35,000 to 40,000 kms
- Drivers are normally rash, over speed and brake hard
- Keke-marwa"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 "Keke-marwa"for passengers is well within city and suburb limits
- Medium to high overloading is common for tuk tuks carrying that are carrying goods
- "Keke-marwa" servicing industries and markets run on poor quality roads and dusty environments

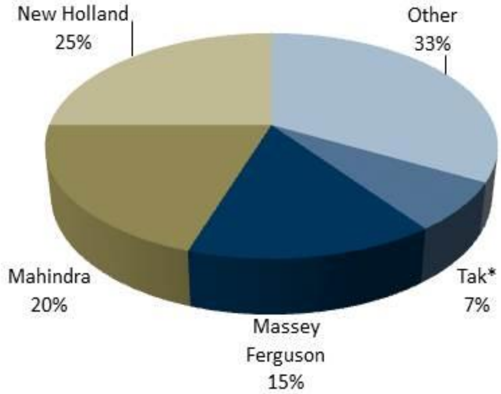
Source: Frost & Sullivan

Tractor market in Nigeria

Tractor Segment Overview

Indian Brands dominate the Nigerian Tractor Market

Total parc– 80,000



Make	Top Models*	Similarity with Indian Models
New Holland	TT75, TT55	●
Mahindra	605, FT60	●

- New Holland and Mahindra leads the Nigerian Agricultural Tractor Market
- Price and reliability have been described as the major selling points
- Government buying programmes will focus on price and reliability – Government offers a scheme whereby they procure Tractors and give it on hire to small farmers (Tractor Owners and Hiring Facilities Association of Nigeria (TOHFAN))
- 60 HP-75HP tractors are the most popular due to the soil type in Nigeria and the application
- Open body tractors are the most popular and constitute more than 98% of sales and of the market

*Local Model manufactured in Nigeria

** Others includes, but is not limited to John Deere, SAME, Escorts

Source: Frost & Sullivan

Tractor Usage Conditions

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

Usage Patterns

- Annual use of tractors is around 800-900 hrs; during the seasons tractors run for 6-8 hrs a day
- Most tractor owners have limited driving skills and are able to safely maneuver tractors with implements in rural areas
- Use of tractors in the off season for haulage and other tasks may occur but is not common

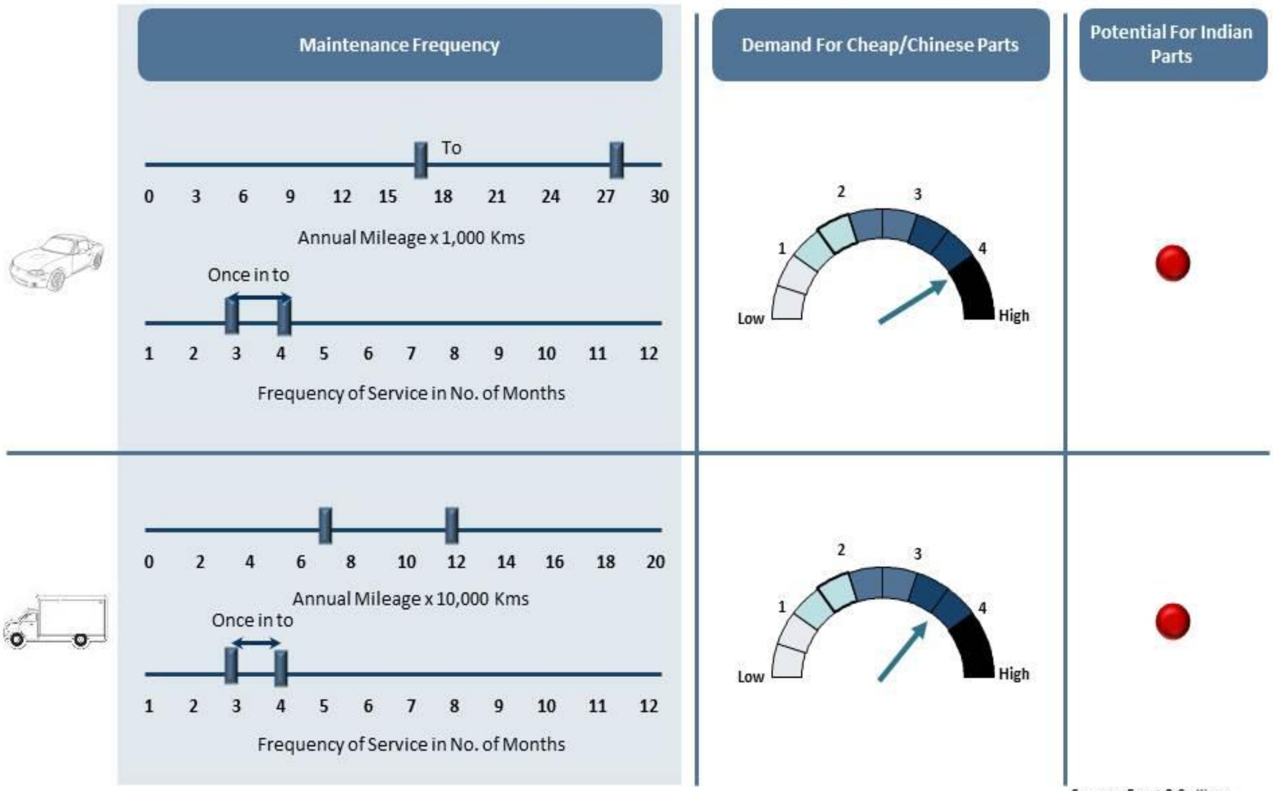
Operating Conditions

- Agricultural applications for cultivation, harvesting and tillage activities tractors are extensively used
- Non agricultural applications includes logistics and haulage activities but are significantly less

Source: Frost & Sullivan

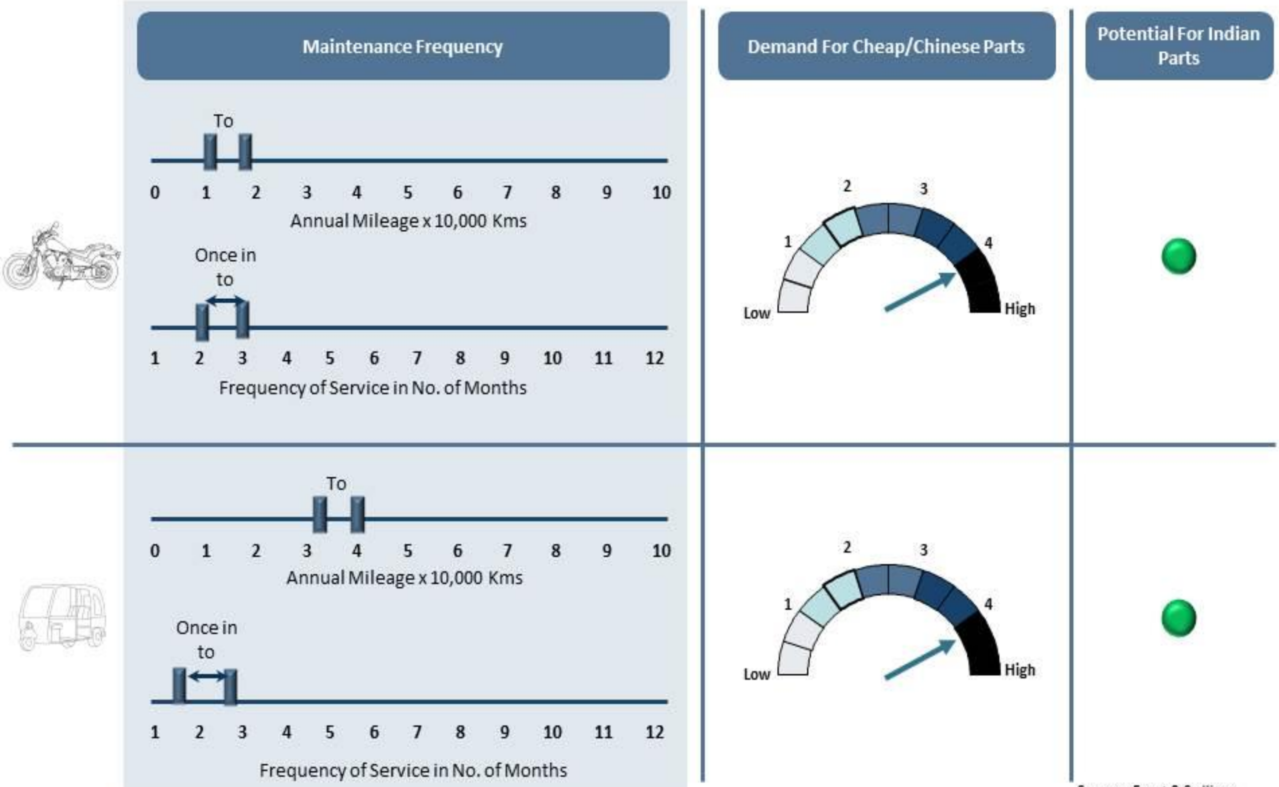
Maintenance and Parts Replacements Practices

Maintenance and Parts Replacement Practices



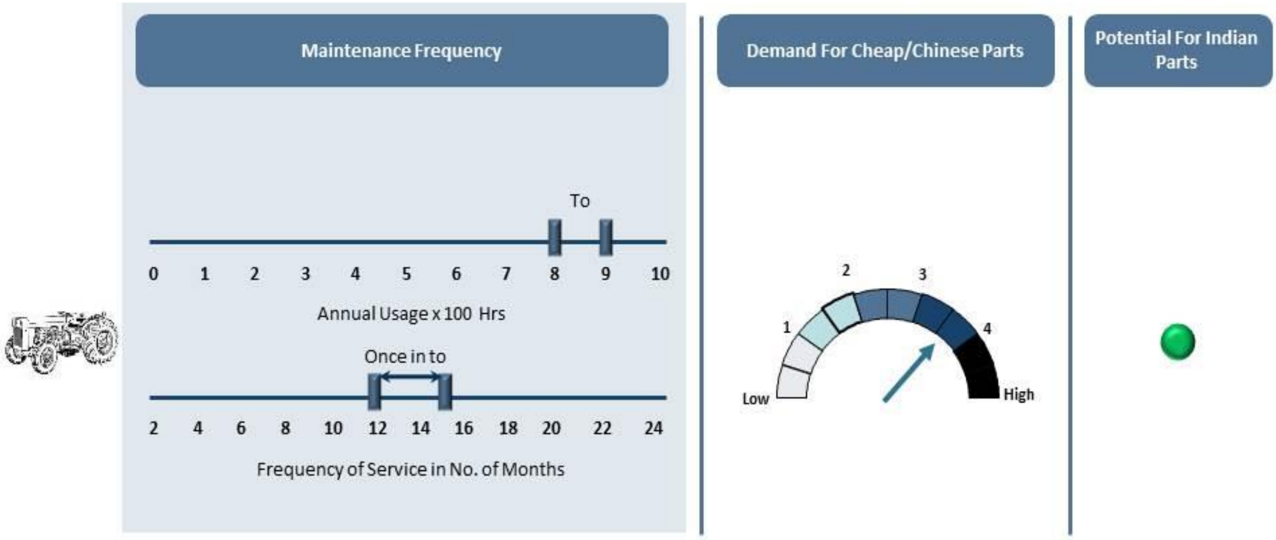
Source: Frost & Sullivan

Maintenance and Parts Replacement Practices (continued)



Source: Frost & Sullivan

Maintenance and Parts Replacement Practices (continued)



Source: Frost & Sullivan

Passenger Vehicles

The average maintenance frequency for passenger cars is once in 3 months

Maintenance Frequency and Parts Replacement	• High density of used cars, bad roads, poor driving habits make Nigerian car owners to service cars every 3 months • **The most consumed passenger car parts are consumables, suspension and braking components, such as brake pads, and, fuel, oil and air filters**
Choice of Brand for Auto Components	• Vehicles serviced in the organized independent channels are mostly fitted with good quality parts • **Mechanics play a significant role and have a major influence on brand choice of components**

Source: Frost & Sullivan

Commercial Vehicles

HCV customers prefer high quality parts

Maintenance Frequency and Parts Replacement	• **The average service interval for commercial vehicles in 3 -4 months** • Overloading and fuel adulteration is common • Poor driving habits and bad roads major cause for frequent parts replacement • This results in demand for suspension and braking components, filtration components, and some engine components
Choice of Brand for Auto Components	• Heavy duty vehicles are mostly opt for quality garages where the parts used are usually genuine or reputed aftermarket alternates • **For light and medium duty commercial vehicles, servicing is carried out in independent garages and mostly IAM parts are used** • **European and Chinese parts have around 80% share in this segment**

Source: Frost & Sullivan

2 Wheelers

The wide use of cheap Chinese parts in 2 wheelers ensures high demand for parts in this segment

Maintenance Frequency and Parts Replacement	• Public transport motorcycle owners rarely send their vehicle for comprehensive service • **While maintenance intervals are irregular, in the first year of ownership they tend to get services once in 3 months, and sometimes once in 2 months**
Choice of Brand for Auto Components	• Affordability being a critical factor for a large section of the motorcycle owners, cheap parts have a high potential in this segment • **Chinese and Indian parts account for over 90% of the 2 wheeler parts business** • **The use of cheap Chinese parts results in shorter replacement cycles for these parts, and consequently higher demand** • **Excepting engine components, mechanics use Chinese parts on Indian motorcycles for replacement of suspension, braking and consumable parts**

Source: Frost & Sullivan

3 Wheelers

Indian components dominate the 3 wheeler components market

Maintenance Frequency and Parts Replacement	• The maintenance frequency ranges from 3 months to 5 months • The rough use of these vehicles necessitates regular visits to mechanics for minor repairs
Choice of Brand for Auto Components	• Affordability is a critical factor for a large section of the tuk tuk owners • **The general preference for parts after a year of ownership is inclined towards cheap parts** • **Indian auto components dominate the component market for 3 wheelers, however, retailers often send samples of parts to Chinese suppliers with the intent of buying cheaper Chinese alternates**

Source: Frost & Sullivan

Tractors

Since most of the tractors are procure by government buying program aftermarket parts purchase criteria is reliability followed by price

Maintenance Frequency and Parts Replacement	• **After sales service and the availability of parts was described as a major consideration during the sales process as many of these purchase were fleet sales** • **Price and reliability are major considerations in parts purchase**
Choice of Brand for Auto Components	• Share of duplicate parts in post warranty tractors is high due to them being cheaper cost that original parts • **Chinese & other Asian brands are preferred due to easy availability of parts in local market**

Source: Frost & Sullivan

Vehicle Servicing Infrastructure

Vehicle Servicing Infrastructure

Owing to high percentage of used vehicles and affordability of consumers independent garages are the preferred service option

%

OEM Authorized Service Centers	Organized Independent Garages	Small Mechanics
15%	50%	35%




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

Vehicles Serviced

- **75-80% of customers are used vehicles owners**
- **20-25% are new vehicles owners**
- This share of new vehicles is mostly premium segment vehicles and in Light Commercial Vehicles

Parts Supply and Use

- **Exclusively OEM genuine parts**
- Parts are imported through established OEM channels
- **Hold high levels of inventory** and some times sell to the local trade

Customer Service

- **Customer retention is higher for maximum 2 years, then customers prefer to go to independent garages**
- High customer satisfaction through structured customer service practices

Service Cost

- **Parts and labour charges are highest among all the service channels**

Source: Frost & Sullivan

Organized Independent Garages

Organized garages service with both genuine high quality parts as well as cheap Chinese parts as per customer requirements

Vehicles Serviced

- Some garages have contracts with large fleet owners
- **Fully equipped to undertake mechanical and body repairs, including painting**
- **Large scale independent garages have special rate tie-ups with insurance companies to attract accident/body repairs**

Parts Supply and Use

- **Mix of OEM genuine parts, aftermarket branded, and high quality Chinese parts**
- Garages hold inventory of fast moving parts

Customer Service

- Large independent facilities have good post service feedback system and strive to offer better service as many are repeat customers

Service Cost

- **Overall service costs are lower than those at OEM authorized by 25% to 30%**

Source: Frost & Sullivan

Small Mechanics

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

Vehicles Serviced

- **Offer quick services that require very basic tooling**
- **Capable of minor repairs on all brands of vehicles**
- Rarely capable of offering body work services
- Work with minimum equipment
- They do not have pits

Parts Supply and Use

- **Parts are procured as needed from local retailers**
- Parts consumed at these service points are mostly cheap consumables
- **Minimum to almost nil inventory holding in this service channel**

Customer Service

- **Less likely to have repeat customers as compared to other service channels**
- Cater to mostly ad hoc repairs

Service Cost

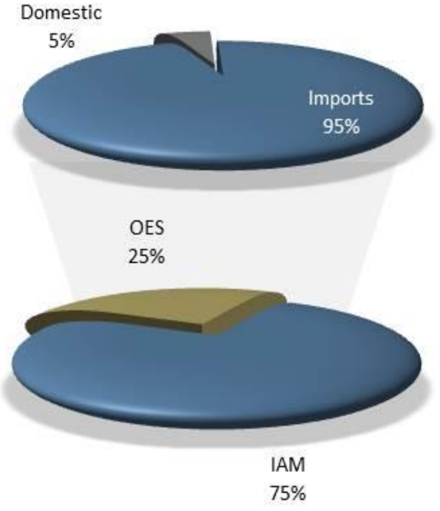
- **Service costs at these garages are around 40 to 50% lower than OEM authorized service channels**

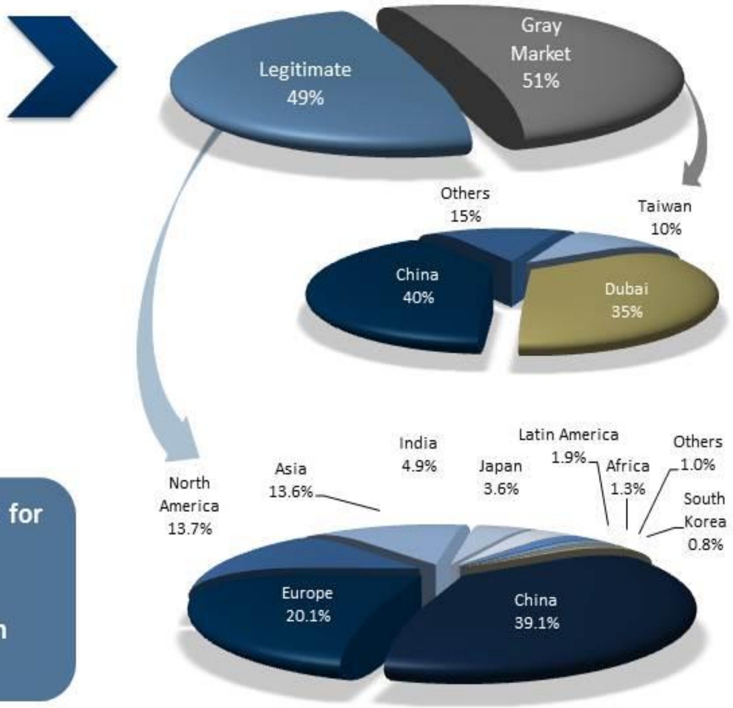
Source: Frost & Sullivan

Auto Components Market

Auto Component Market Summary

According to National Automotive Council's (NAC) there are 98 manufacturers currently engaged in auto and related spheres; however, many make copied and fake spare parts with poor quality



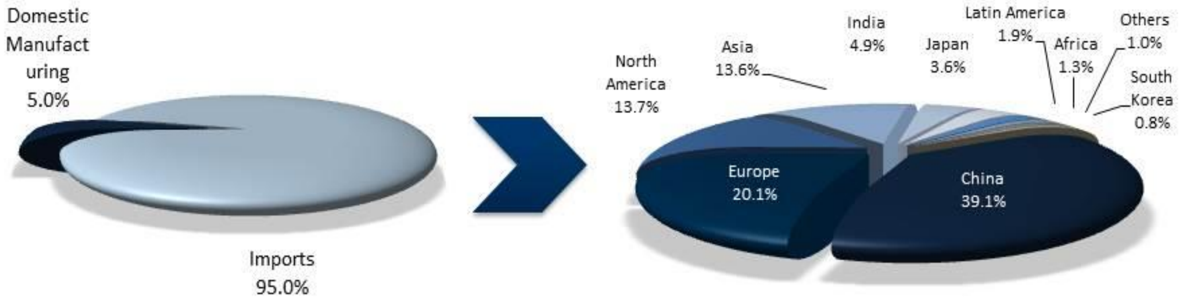


- **Chinese auto components account for around 40% of Nigerian imports**
- **A significant share of the Chinese components enter Nigeria through the gray market route**

Source: Frost & Sullivan

Auto Components Imports

Apart from regular imports there is also significant amount of used/salvaged parts imports in to Nigeria



- Europe and China alone account for over 60% of the total documented imports to Nigeria
- It is estimated that more than 40% of auto components in each category, (i.e. engine, drive transmission and steering, suspension and braking, electrical, consumables, rubber components and cooling systems) is imported from China
- Imports from Europe are most from the United Kingdom and Germany, and to a small extent, from France. These imports are mostly engine and, drive, transmission and steering components

Others includes imports from other African countries, other Latin American Countries

Source: Frost & Sullivan

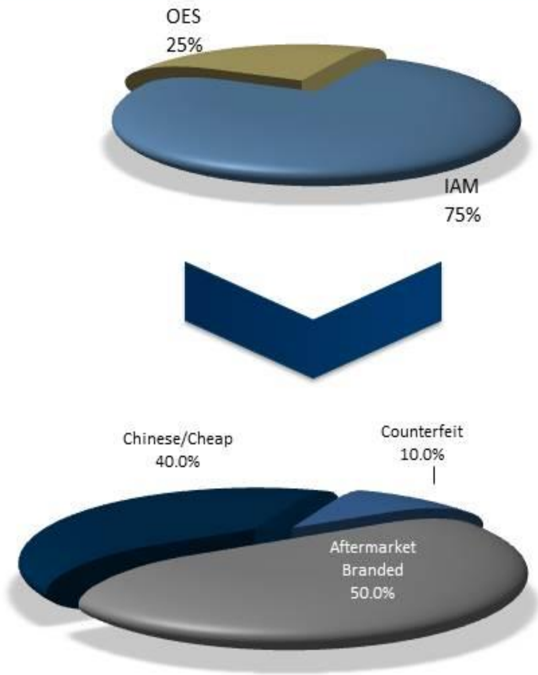
Auto Components Market Overview

Chinese components have product options ranging from cheap and low quality to expensive and high quality

Key OES Genuine Parts Sold in Nigeria	Mitsubishi, Nissan, Mercedes-Benz, Toyota, Hino
Key IAM Genuine Parts Sold in Nigeria	Goetze, Bosch, Mahle, Banco

- Chinese components are known to have a spectrum of options that ranges from low quality and cheap, to high quality and, as expensive as branded aftermarket parts
- Counterfeit parts account for 10% of the total IAM
- Gray market parts are largely imported from Dubai and China;
- Nigeria has very porous borders and there is a lot of goods movements in and out of Nigeria

Share of OEM Vs Independent Aftermarket



Source: Frost & Sullivan

Chinese Auto Components in Nigeria

Easy availability and low price are the major driving factor s for Chinese products

Acceptable Trade Terms

- ✓ *Importers have very little negative feedback in terms of business and commercial practices*
- ✓ *Chinese suppliers accept small MOQs*
- ✓ *Agreeable payment terms, and flexible to negotiate*
- ✓ ***Only restraining factor is Chinese deal in dollars which impacts importers due to volatile currency***

Product Range

- ✓ *Range of products that is suitable for multiple models currently in the market*
- ✓ *Retailers are given comprehensive e-catalogues*

Product Development Capability

- ✓ *Reverse engineering capability for a new product based on a sample sent from foreign market*
- ✓ *Manufacturers produce samples and are open to manufacturing small batches to test the product in the destination market*

Value for Money

- ✓ *Chinese manufacturers can offer product options ranging from cheap with low quality, to, expensive with OEM quality*
- ✓ ***Chinese products are better finished and packaged***

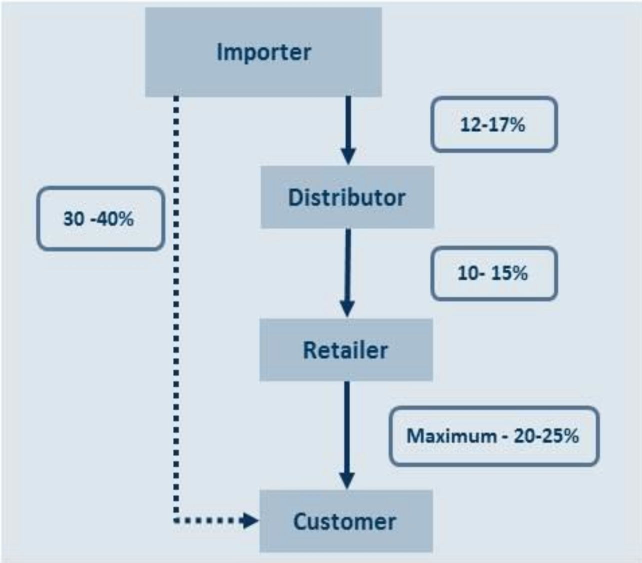
Lead Time

- ✓ *Lead time from receipt of a sample to generation of first drawings – as short as 3-4 days*
- ✓ *Generally, first batches of newly engineered products are shipped within 8 weeks*

Source: Frost & Sullivan

Auto Components Distribution and Margin Structures

Due to stiff competition and mostly Chinese parts the margins are tight



- Most importers in Nigeria sell to the trade and also to direct customers
- Warranty claim in Nigeria is a very tedious process and is hardly claimed

Source: Frost & Sullivan

Duty structure for Import of Auto Components and impact on Indian Exporters

Duty Structure for Import of Motor Vehicles

HS Code	Description	Import Duty	Value Added Tax	Levy
8703100000	Vehicles specially designed for travelling on snow; golf cars and similar vehicles	35	5	35
8703211100	Vehicles, with petrol fuel engine, of cylinder capacity=<1,000 cc, presented CKD	0	5	
8703211900	Other	35	5	
8703211910	Other imported by MV assemblers and man. (8703)	35	5	
8703212000	Used Vehicles, with petrol fuel engine, of cylinder capacity=<1,000 cc	35	5	
8703221100	Vehicles, with petrol fuel engine, of cylinder capacity>1,000=<1500cc, presented CKD	0	5	
8703221900	Other	35	5	35
8703221910	Other imported by MV assemblers and man. (8703)	35	5	
8703222000	Used Vehicles, with petrol fuel engine, of cylinder capacity>1,000<1500cc	35	5	
8703231100	Vehicles, with petrol fuel engine, of cylinder capacity>1,500=<3000cc, presented CKD	0	5	
8703231900	Other	35	5	35
8703231910	Other imported by MV assemblers and man. (Heading 8703)	35	5	

Duty Structure for Import of Motor Vehicles

HS Code	Description	Import Duty	Value Added Tax	Levy
8703232000	Used Vehicles, with petrol fuel engine, of cylinder capacity>1,500=<3000cc	35	5	
8703241100	Vehicles, with petrol fuel engine, of cylinder capacity >3000cc, presented CKD	0	5	
8703241900	Vehicles, with petrol fuel engine, of cylinder capacity >3000cc, presented FBU	35	5	35
8703241910	Other imported by MV assemblers and man. of heading 8703	35	5	
8703242000	Used Vehicles, with petrol fuel engine, of cylinder capacity >3000cc	35	5	0
8703311100	Vehicles, with diesel or semi diesel engine, of cylinder capacity >1500cc, presented CKD	0	5	
8703311900	Vehicles, with diesel or semi diesel engine, of cylinder capacity <=1500cc, presented FBU	35	5	35
8703311910	Other imported by MV assemblers and man. of heading 8703	35	5	
8703312000	Used Vehicles, with diesel or semidiesel engine, of cylinder capacity <=1500cc	35	5	
8703321100	Vehicles, with diesel or semidiesel engine, of cylinder capacity >1500=<2500cc, CKD	0	5	
8703321900	Other	35	5	35
8703321910	Other imported by MV assemblers and man. of heading 8703	35	5	

Duty Structure for Import of Motor Vehicles

HS Code	Description	Import Duty	Value Added Tax	Levy
8703322000	Used Vehicles, with diesel or semidiesel engine, of cylinder capacity >1500=<2500cc	35	5	
8703331100	Vehicles, with diesel or semidiesel engine, of cylinder capacity >2500cc, CKD	0	5	
8703331900	Vehicles,with diesel or semidiesel engine, of cylinder capacity >2500cc, presented FBU	35	5	35
8703331910	Other imported by MV assemblers and ma. of heading 8703	35	5	
8703332000	Used Vehicles, with diesel or semidiesel engine, of cylinder capacity >2500cc	35	5	
8703900000	Other Motor cars and other motor vehicles principally des	35	5	35

Duty Structure for Import of Motor Vehicle Parts

HS Code	Description	Import Duty	Value Added Tax
8413911000	Parts of pump for motor vehicles	5	5
8512900000	Parts of Electrical lighting or signalling equipment used for cycles or motor vehicles.	5	5
8708100000	Bumpers and parts thereof of the motor vehicles	10	5
8708290000	Parts and accessories of the motor vehicles not specified in 8707	10	5
8708300000	Brakes and servobrakes; parts thereof of the motor vehicles	35	5
8708400000	Gear boxes and parts thereof of the motor vehicles	10	5
8708500000	Driveaxles with differential and nondriving axles; parts thereof of motor vehicle	10	5
8708700000	Road wheels and parts and accessories thereof of motor vehicle	10	5
8708800000	Suspension systems and parts thereof (including shockabsorbers) of motor vehicle	10	5
8708910000	Radiators and parts thereof of motor vehicle	10	5
8708920000	Silencers (mufflers) and exhaust pipes; parts thereof of motor vehicle	10	5
8708930000	Clutches and parts thereof of motor vehicle	10	5
8708940000	Steering wheels, steering columns and steering boxes; parts thereof of motor vehicle	10	5

Duty Structure for Import of Motor Vehicle Parts

HS Code	Description	Import Duty	Value Added Tax
8708950000	Safety airbags with inflater system; parts thereof of motor vehicle	10	5
8708990000	other parts of motor vehicle not specified in 8708	10	5
8716902000	Parts of vehicles drawn by animals	5	5
8716909000	Other parts of vehicles not specified.	20	5
9603500000	Other brushes constituting parts of machines, appliances or vehicles	20	5
8412900000	Parts ofother engines and motors not specified.	5	
8509900000	Parts of Electromechanical domestic appliances, with selfcontained electric motor	10	5
8510900000	Parts of Shavers, hair clippers... with selfcontained electric motor	10	5
8512900000	Parts of Electrical lighting or signalling equipment used for cycles or motor vehicles.	5	5
8708100000	Bumpers and parts thereof of the motor vehicles	10	5
8708290000	Parts and accessories of the motor vehicles not specified in 8707	10	5
8708300000	Brakes and servobrakes; parts thereof of the motor vehicles	35	5
8708400000	Gear boxes and parts thereof of the motor vehicles	10	5

Duty Structure for Import of Motor Vehicle Parts

HS Code	Description	Import Duty	Value Added Tax
8708500000	Driveaxles with differential and nondriving axles; parts thereof of motor vehicle	10	5
8708700000	Road wheels and parts and accessories thereof of motor vehicle	10	5
8708800000	Suspension systems and parts thereof (including shock absorbers) of motor vehicle	10	5
8708910000	Radiators and parts thereof of motor vehicle	10	5
8708920000	Silencers (mufflers) and exhaust pipes; parts thereof of motor vehicle	10	5
8708930000	Clutches and parts thereof of motor vehicle	10	5
8708940000	Steering wheels, steering columns and steering boxes; parts thereof of motor vehicle	10	5
8708950000	Safety airbags with inflater system; parts thereof of motor vehicle	10	5
8708990000	other parts of motor vehicle not specified in 8708	10	5
8714101000	Parts and accessories of motorcycles (including mopeds) for assembly industry	5	
8714109000	Parts and accessories of motorcycles (including mopeds) not for assembly industry, FBU	10	

Market insights importers – Distributors, Retailers and Mechanics

Sample Covered for Field Work in Nigeria

Frost & Sullivan has interacted with 53respondents in Nigeria

Respondent Category	Quantity
Importer/Distributor	21
Retailers	15
Garage	16
OE Supplier	1

Frost & Sullivan also interacted with 3 top auto components distributors in Dubai

Source: Frost & Sullivan

Importers/Distributors

Importer/Distributor - Overview

Major source of imports are Dubai and China

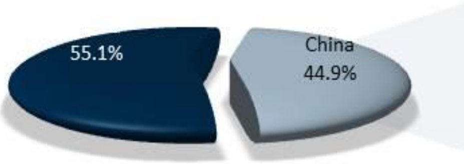
- While importers rely heavily on traders in Dubai for their stock, some importers deal directly with auto component manufacturers in countries like China, Taiwan, India and Germany
- Average inventory levels reports by distributors range between 2 and 5 months, however, some distributors report holding stock 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 30-40% at the time of placing the order and the remaining at the time of receipt of goods
- The challenges reported by importers include highly fluctuating exchange rate make it more expensive, custom clearance and unreliable transport services

Source: Frost & Sullivan

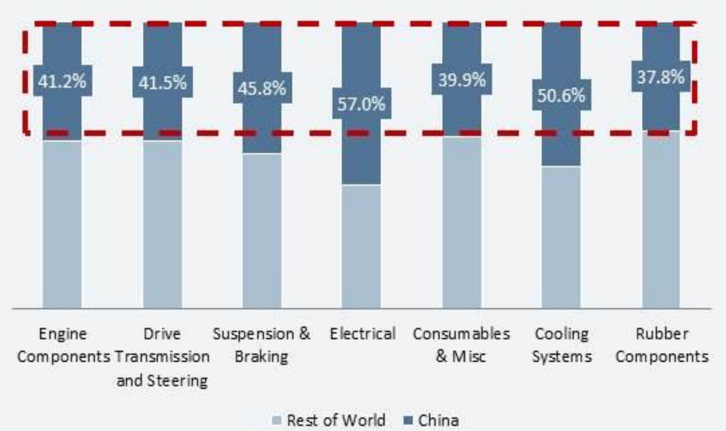
Importer/Distributors' Sourcing from China

Nigerian market is dominated by Chinese components, due to the high price sensitivity of consumers

Share of Importer/Distributor Sourcing from China



Share of Chinese Imports by Component Category



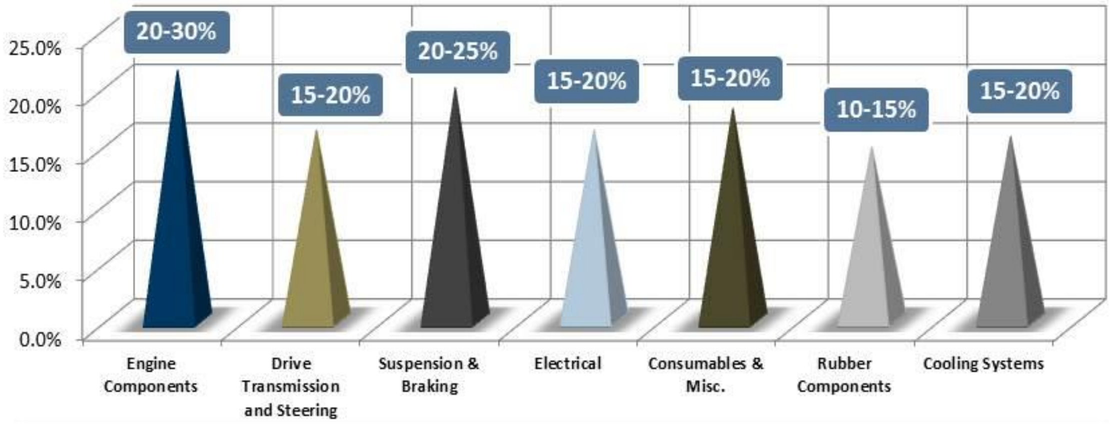
- Nigeria is a heavy importer of Chinese Components accounting for close to 45 %
- According to Importers/Distributors "Affordability is the main reason for high demand. Compared to other sources, Chinese parts are cheaper and that is why people demand for it'

Source: Frost & Sullivan

Importer/Distributor Margins

Importer and distributor margins is around 15% to 30% depending on the component

Importer and Distributor Margins on Auto Components



- The absence of price regulation (MRP) allows traders to vary prices based on current market conditions, allowing for healthy margins; however as most of them deal with Chinese imports their margins are limited
- Heavy imports from China limits the pricing power for Indian suppliers looking to export to China
- Distributors claim an average margin of 20% on auto components

Source: Frost & Sullivan

Willingness to Selling Indian Brands

Indian brands are considered to be better quality than Chinese options, however all stakeholders are unwilling to pay any premium over Chinese parts

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	

- Indian components are considered to be of good quality and can compete with mid grade Chinese products
- Despite the limited product range and the perceived slower product development capability of Indian suppliers, distributors are open to, and willing to doing business with Indian manufacturers
- Major concern area is the availability of Indian components vis-à-vis Chinese

Source: Frost & Sullivan

Distributor Profiles - I

Ultimate INT CO. is one of the leading Auto Components Importer/Distributors in Nigeria

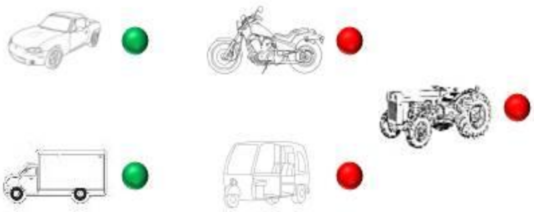
Company Name	Ultimate INT CO.
No. of Year in the Business	20
Contact Number	00234 8034084070

Contact Person	Mr Michael
Designation	Director
Email Address	greatfortunes2@yahoo.co.uk

Head Office: Lagos

No of branches: 4

Segments Covered



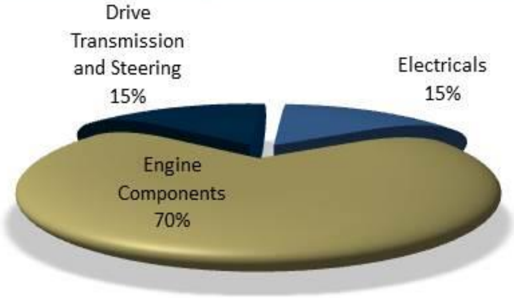
- Engine Components
- Drive Transmission
- Electrical

Source: Frost & Sullivan

Distributor Profiles – I (continued)

Ultimate INT CO deals in OEM genuine parts and branded aftermarket parts mostly imported from Germany and China

Share of Different Component Categories Sold by the Distributor



Share of Imports by Country of Origin

Make and Models Catered To

Make	Models
Mercedes	E3436, 203, 190
Toyota	Camry
Nissan	Amera
Renault Trucks	340, 390, 185

Chinese Brands in the Distributor's Business

Distributor for Chinese Brands	Yes
Share of Chinese Brands in Total Business	65%

Source: Frost & Sullivan

Distributor Profiles – I (continued)

Interested in understanding the product development capabilities and product range of interested suppliers from Indian

Interest in Dealing Indian Parts

The distributor is interested to understand the capabilities of Indian Component Manufacturers in terms of product portfolio and product development capability

Categories of Interest

- ✓ Drive, Transmission and Steering
- ✓ Electrical
- ✓ Engine

Top Indian Auto Component Brands Recalled by the Distributor
None

This distributor currently does not sell Indian Auto Components.

Distributor Expectations from Indian Suppliers

- **Price –** Competitive price - equal to mid-level Chinese Prices
- **Quality –** Maintain current standards
- **Product Range –** Better product range is a must
- **Marketing –**Create product and brand awareness
- **Terms of Trade –** Provide credit for a month

Source: Frost & Sullivan

Distributor Profiles - II

Bathy Eosky Ent. Ltd deals in OEM genuine passenger and commercial vehicle parts, and branded aftermarket parts

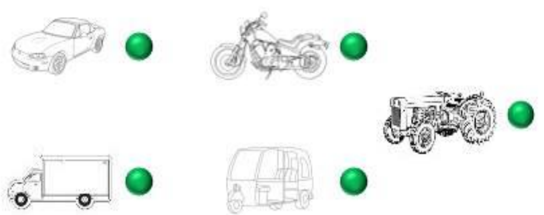
Company Name	Bathy Eosky Ent. Ltd
No. of Year in the Business	20
Contact Number	00234 7033333147

Contact Person	Ebuka Nwokenagu
Designation	Director
Email Address	bukasonic@yahoo.com

Head Office: Lagos

No of branches: 2

Segments Covered



- Engine Components
- Drive and Transmission
- Suspension Braking
- Consumables
- Cooling System

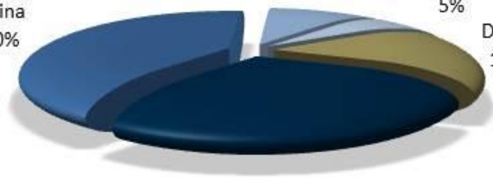
Source: Frost & Sullivan

Distributor Profiles – II (continued)

Chinese components account for around 40% of the distributors business; the highest share being from Engine components and cooling systems

Share of Different Component Categories Sold by the Distributor

Share of Imports by Country of Origin



Brands and Models Catered To	
Make/ Brand	**Models**
Bosch	All Passenger Vehicles and CV
Mahle	All Passenger Vehicles and CV
Iveco	Eurostar

Chinese Brands in the Distributor's Business	
Distributor for Chinese Brands	Yes
Share of Chinese Brands in Total Business	40%

Source: Frost & Sullivan

Distributor Profiles – II (continued)

Indian components are of good quality, and if they can match Chinese prices, they can be sold easily in Nigeria

Interest in Dealing Indian Parts

- **Indian auto components are perceived as better than Chinese auto components**
- **Indian components are nor as good in pacakaging and finishing as Chineseg**

Top Indian Auto Component Brands Recalled by the Distributor
None

This distributor currently does not sell Indian Auto Components

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 –** Less than 30 days

Source: Frost & Sullivan

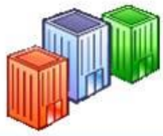
Distributor Profiles - III

Okeyson Group of companies is a leading distributor for vehicle parts in Lagos

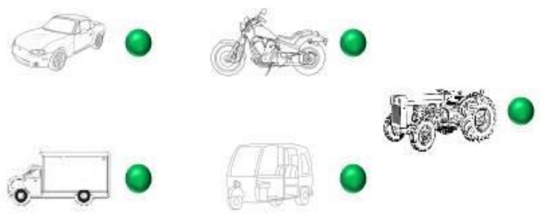
Company Name	Okeyson Group of companies	Contact Person	Obioma Samuel Nwankwo
No. of Year in the Business	6	Designation	Manager
Contact Number	00234 7069673420	Email Address	info@abdulghaniibrahim.com

Head Office: Lagos

No of branches: 4



Segments Covered



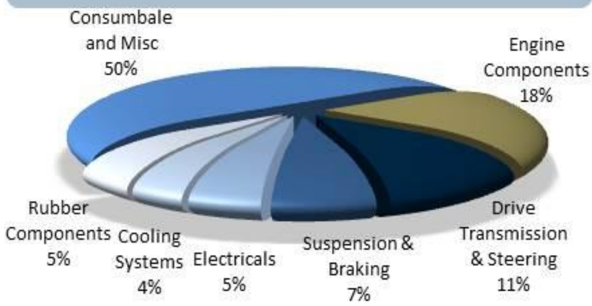
- Engine Components
- Drive and Transmission
- Suspension Braking
- Consumables
- Rubber Components

Source: Frost & Sullivan

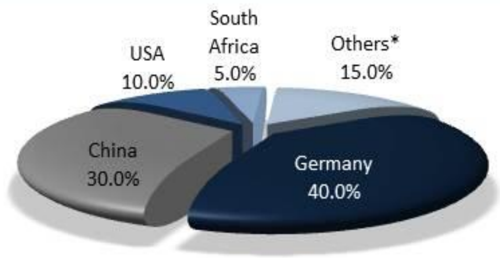
Distributor Profiles – III (continued)

Okeyson deals mostly in all segments 2W , PC, CV and tractors

Share of Different Component Categories Sold by the Distributor



Share of Imports by Country of Origin



Make and Models Catered To	
Make	**Models**
Mercedes Benz	All Models
Nissan	Altima, Wingroad, X-Trail, Caravan, Vanette
Bajaja	Boxer
Massey Ferguson	415 XTRA

Chinese Brands in the Distributor's Business	
Distributor for Chinese Brands	Yes
Share of Chinese Brands in Total Business	30%

*Others include Turkey, Argentina, Brazil, Taiwan, etc

Source: Frost & Sullivan

Distributor Profiles – III (continued)

Commercial vehicle components from India such as engine components, drive, transmission and steering components are not of the best quality

Interest in Dealing Indian Parts

- Expects Indian prices to be lesser than Chinese to be able to push the products initially
- Must be able to spply low quanitiy

Top Indian Auto Component Brands Recalled by the Distributor
None

This distributor currently does not sell

Distributor Expectations from Indian Suppliers

- **Price –** Lesser prices of Chinese components
- **Quality –** Quality is perceived as good should maintain it
- **Product Range –** Must be expanded
- **Terms of Trade –** Low MOQ
- **Lead Time –** Less than 30-35 days

Source: Frost & Sullivan

Retailers

Retailer - Overview

Most retailers deal in components of all quality grades and price ranges

Auto Component Retailers in Nigeria	
Average Stock Held	2 weeks to 3 months
Retailer Margins	10-40%
Credit Facility to Mechanics	Yes, for familiar mechanics

- Most retailers deal in components of all quality grades and price ranges
- Retailer order quantities are very minimum depending on the product varies from one piece to a few cartons
- Retailers that source parts locally hold stock for around 2weeks months to 3 months
- Some retailers make regular visits to mechanic/garages carrying parts and replenish stock, thereby also maintaining relationships
- Mechanics being key influencers in the choice of auto component used in a vehicle, retailers incentivize mechanics to push products that offer better margins
- No warranty for consumable items, other parts have warranty and are replaced if claimed

Source: Frost & Sullivan

Chinese vs. Indian Parts – Retailer Perspective

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

Indian Components

- ***Awareness of Indian auto component brands is weak***
- Promotion of Indian brands with giveaways is important to improve brand recall
- ***Local representation is key to understand the evolution of vehicle parc*** and understand which models to target
- ***Product Availability is a major area of improvement required***

Chinese Components

- Cheap products- They are generally perceived as cheap and affordable
- ***Easy availability – Chinese have flooded the market***
- Considering poor states of our roads cheaper is value as even quality may not last long, so it work well to buy cheap in repeat successions
- Over time, ***Chinese manufacturers have expanded their product range and product development capability***; a significant advantage in today's market

Source: Frost & Sullivan

Garages and Mechanics

Chinese vs. Indian Parts – Garages and Mechanics Perspective

Given the state of Nigerian economy, fluctuating currency and affordability of customers price is often the deciding factor

Indian Components

- **Awareness of Indian auto component brands is very weak**
- Mechanics feel Indian products brands first should develop brand awareness
- Generally the mechanics community perceives Indian products are as better quality but due to a slightly higher prices they are not able to sell

Chinese Components

Mechanics

- Some mechanics say they refer to Indian components also as Chinese both are of same quality

Garages

- The use of Chinese parts depends on how much the customer is willing to spend on repairs
- Some times, the overall repair cost forces the customer to choose cheaper Chinese alternates for non–critical parts

Source: Frost & Sullivan

Thank you

Automotive Component Manufacturers Association of India

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

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