

Auto components industry grows 34.8% to ₹2.65 lakh cr in H1 FY23

NEW DELHI: India's auto components industry witnessed a 34.8 per cent growth to Rs 2.65 lakh crore in first-half of 2022-23, riding on domestic demand, particularly from the passenger vehicles segment, the Automotive Component Manufacturers Association of India said on Wednesday.

During the period, exports of components grew by 8.6 per cent to \$10.1 billion (Rs 79.03 lakh crore), while imports climbed 17.2 per cent to \$10.1 billion (Rs 79.8 lakh crore), Automotive Component Manufacturers Association of India (ACMA) said.

"We've seen great growth come out of passenger cars and commercial vehicles... The festive season was very positive for two-wheelers, and we hope that two-wheelers will be back on the growth track, like they have been in the past," ACMA President Sunjay Kapur told reporters in a virtual conference.

He further said moderation in the supply-side issues, such as availability of semiconductors, high input raw-material costs and non-availability of containers, also helped in the growth witnessed in the first half of the ongoing fiscal.

ACMA Director General Vinnie Mehta said, "In the first half, 47 per cent of our revenue to the supply to the OEMs, which is \$28.6 billion dollars, came from passenger vehicles.



Interestingly, in the first half of last fiscal, the passenger vehicles accounted for about 38 per cent of our revenue from the OEM".

There has been a demand shift towards SUVs, and the value proposition has also been enhanced, he added.

However, he said as the two-wheeler industry was under pressure, it accounted for about 18 per cent of the revenue against 21 per cent in the first half of the last fiscal.

On the export front, the association said it grew by 8.6 per cent to \$10.1 billion (Rs 79,033 crore) in H1 2022-23 from \$9.3 billion (Rs 68,746 crore) in H1 2021-22.

North America accounted for 33 per cent of the total exports, an increase of 12 per cent. Europe and Asia's shares stood at 30 per cent and 26 per cent, respectively — a rise of 4 and 11 per cent, respectively.

On the other hand, imports also grew by 17.2 per cent to

\$10.1 billion (Rs 79,815 crore) in H1 2022-23 from \$8.7 billion (Rs 64,310 crore) in H1 2021-22.

Asia accounted for 65 per cent of imports, followed by Europe and North America, with 26 per cent and 8 per cent, respectively. Imports from Asia grew by 21 per cent, from Europe by 6 per cent and North America by 29 per cent, the association noted.

Mehta said that while the components industry closed the last fiscal with a trade surplus of \$700 million, in the current fiscal, it has become neutral with exports and imports finely balanced. "The sharper growth in the import has been because of the uptick in the domestic market, very much correlated to growth in the domestic market for the OEM segment," he added. In terms of new technology, Mehta said electric vehicles accounted for about 1 per cent of the overall turnover of the auto component industry. PTI