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| **Automotive Component Manufacturers Association Of India** |

**PRESS RELEASE**

***A long-term, stable and technology agnostic road map essential for localisation***

* VOn 61st Annual Session of ACMA, a study on “Best practices in Living with Volatility: Survival, Revival and Growth” released
* Indian auto industry should strive for global leader in electric mobility: Mr. Amitabh Kant, CEO, NITI Aayog

**New Delhi, August 26, 2021**: Automotive Component Manufacturers Association of India (ACMA), the apex body representing India’s auto component manufacturing industry, today hosted its 61st Annual session on the theme “Living with Volatility - Survival, Revival & Growth”. The annual session was centered on the Indian automotive industries path to survive, recover, and explore new growth opportunities, amidst the most challenging humanitarian and business crisis due to the pandemic. The sessions brought spotlight on the way the automotive value chain has collaborated to display remarkable resilience and ensure business continuity.

The annual session was graced by *Dr. Mahendra Nath Pandey, Hon’ble Union Minister for Heavy Industries and Mr. Amitabh Kant, CEO, NITI Aayog* and other eminent dignitaries who shared their views on harnessing newer opportunities for the auto component sector to evolve in prevailing times. The session organized on a virtual platform, witnessed the participation of over XX delegates from the Government and Ministries, OEMs, industry bodies and think tanks.

In addition to the insightful sessions, ACMA in partnership with PwC, released a study on “Best practices in Living with Volatility: Survival, Revival and Growth” to understand how Indian automotive industry is learning to thrive under ever-changing business environment. The study stressed on the need to become more agile, flexible and customer focused to succeed in the new normal. According to the study, the key elements for the survival of the auto component industry is to become financially prudent and efficiently manage the risks. The revival in the industry needs investment towards digital transformation, leadership development, enhanced capabilities, agility in supply chain and stabilize manufacturing as per the

demand. The growth in the industry is expected to come at the back The CASE disruption, new markets for exports and aftermarkets, focus on innovation and evaluating trade-offs to arrive at future product categories. The study also highlighted that companies with robust financial management capabilities and a focus on growing value added per employee and strong alliances with suppliers and customers will emerge successful. In addition, the report predicts that the Indian automotive and component industry will continue to see a sharp recovery over FY22–FY23. Over the next decade, the industry is likely to maintain a healthy growth trajectory, but it may face high-frequency volatility in the market.

Congratulating ACMA for its 61st Annual Session, **Dr. Mahendra Nath Pandey, Hon’ble Union Minister for Heavy Industries, Government of India**, said, *“The last two years have been difficult for the industry due to the global pandemic and therefore we must take stock of the challenges and prepare for the future. A more concerted effort towards Skilling and Localization can help to navigate through the tough times and solve many problems of the Automotive Industry. ACMA, along with Centre of Excellence is working tirelessly to run clusters programs for the skill development across the country. Simultaneously, ACMA is*

*addressing the issue of high imports in the component space along with SIAM and have come up with a localization roadmap.*

*Our government is committed to support the automotive industry and its efforts to make the supply chain more robust with increased expenditure in R&D. This will help in closing the technology gaps to make Auto Component sector Atmanirbhar and* *globally competitive.”*

***Mr. Amitabh Kant, CEO, NITI Aayog,*** *said “We are coming out of the crisis of Covid-19 but will soon be confronted by the crisis of climate change. These challenges can be tackled by the industries by going digital, lean, and green.* *The transition of automobiles towards electric mobility is therefore inevitable and the auto industry should strive to make India a global leader in electric vehicles. The approach of “Make in India” is very clear, that is, to de-risk supply chains by boosting localisation and reducing import dependency. For India to grow as a manufacturing nation, the automobile sector and the auto component sector will be the key drivers of India’s growth story and for the same we have notified the Production Linked Incentive scheme. The Scrappage policy will also be a game changer in driving demand for new vehicles. Technology disruptions are creating opportunities across levels for the automotive sector and must be harnessed by the industry.”*

**Commenting on the 61st Annual Session, Mr. Deepak Jain, President, ACMA** said, *“The last two years have been extremely challenging for the industry with two lockdowns in the wake of the pandemic that threatened to derail our economy and industry.* *The year* *2020-21 witnessed the second successive year of contraction in vehicle sales in India and overall vehicle sales fell by over 13.6%.* *The component industry also witnessed a de-growth of 3%.* *With the second wave of pandemic, the revival of our industry has again been put to test. However, despite several challenges the industry has fought back with the spirit of collaboration and chart out its future course to sustain and grow. We are now witnessing the gradual resurgence of demand for vehicles, and I am hopeful that we will be able to ensure business continuity and return to pre-covid levels of performance.”*

**Mr. Jain** further added *“The interest waiver and loan payment deferment programs for the MSMEs, the announcement of the PLI Battery ACC and the Scrappage policy by the Government of India will auger well for the auto industry. A long-term, stable and technology agnostic road map, that allows sufficient time for localisation of technologies would be critical for survival and competitiveness of our industry. Our focus is in-line with our Hon’ble Prime-Minister’s vision of an ‘Atmanirbhar Bharat’ and we aim to become a net exporter.”*

The Special Plenary Session was addressed by Mr Ashwani Gupta COO & CPO, Nissan Motor Corporation and Mr R C Bhargava Chairman, Maruti Suzuki India. The theme session on Living with Volatility - Survival, Revival & Growth was presented by Mr. Kavan Mukhtyar Partner and Leader – Automotive, PwC and the keynote for the session was delivered by Dr. Pawan Goenka Chairman, SCALE Committee and Former MD & CEO Mahindra and Mahindra. The Annual session also had a panel discussion which was attended by Mr Vipin Sondhi Vice President, SIAM and MD & CEO, Ashok Leyland, Mr Hemant Sikka,President, Farm &

Equipment Sector, Mahindra & Mahindra, Mr Sunil Kakkar Chairperson, SIAM along with many other dignitaries.

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

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