

INDIAN AUTO INDUSTRY

.... the way forward

Presentation by-

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Indian auto industry : Among the top 10 in world



Two Wheelers

2nd



Small Cars

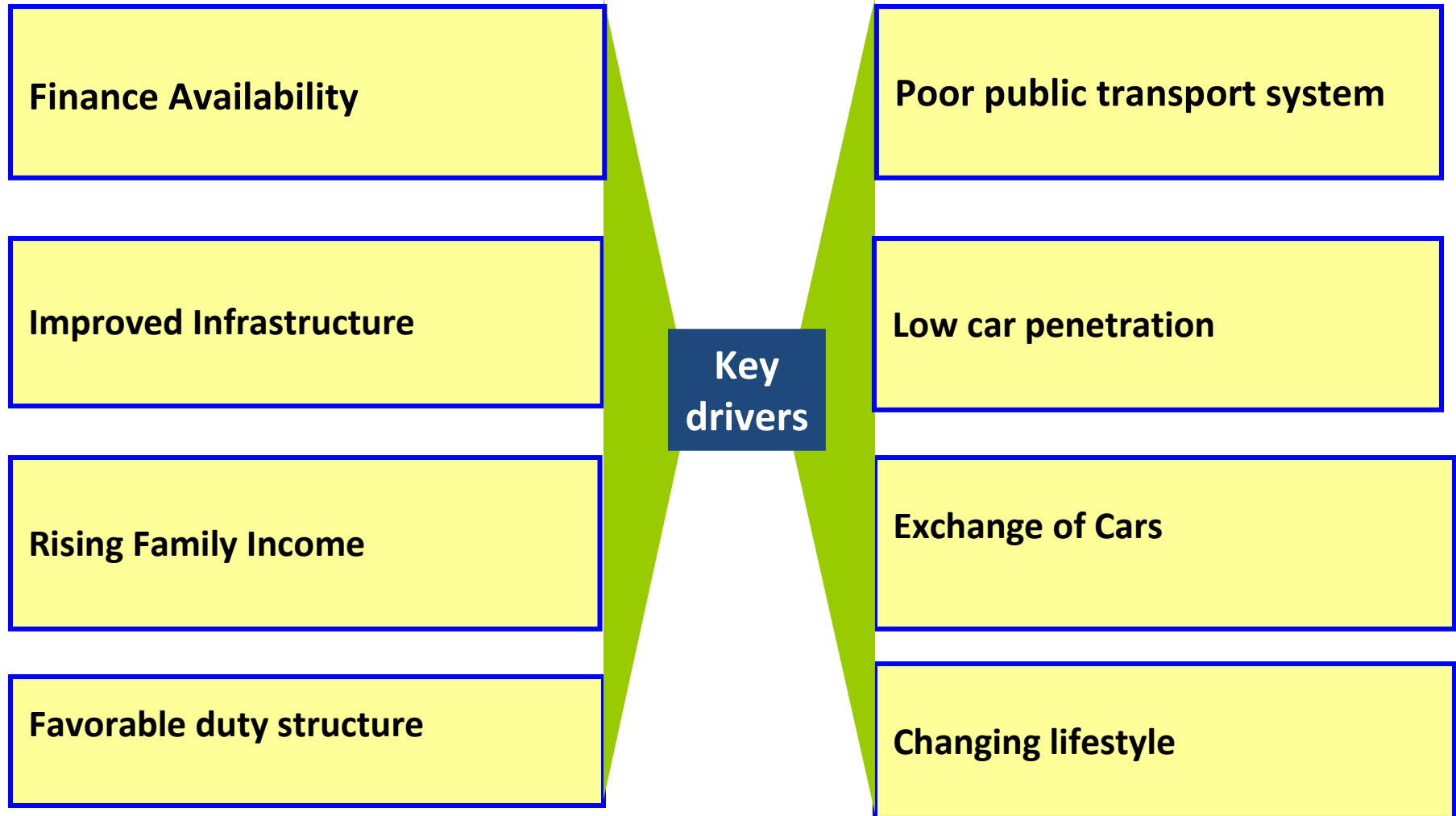
3rd



Commercial Vehicles

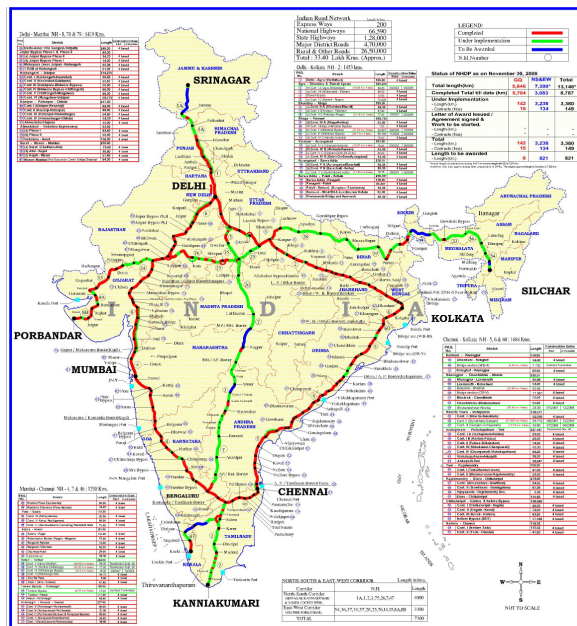
5th

Key drivers for the growth of Indian Auto industry



Impact of infrastructure

2 key projects of strategic importance for India

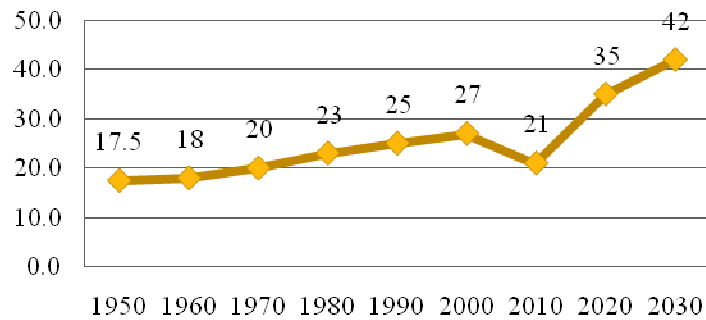


NHDP project:

- Largest highway development project
- Golden quadrilateral - Connects 4 metros
- NSEW project – Connecting North, South & East, West lengths of India

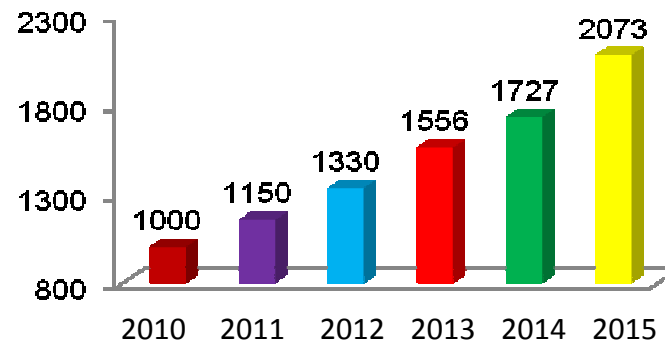
Rapid Urbanization

Urban Percentage of Total Population



Rising GDP per Capita

Per Capita GDP (US \$)



Accelerated overall growth of other industrial segments

Sector	Growth
Telecom subscriber	81%
Housing loan disbursement by banks	49%
Airline traffic	44%
Retail lending by banks	42%
IT Industry	31%
Electronics industry	21%

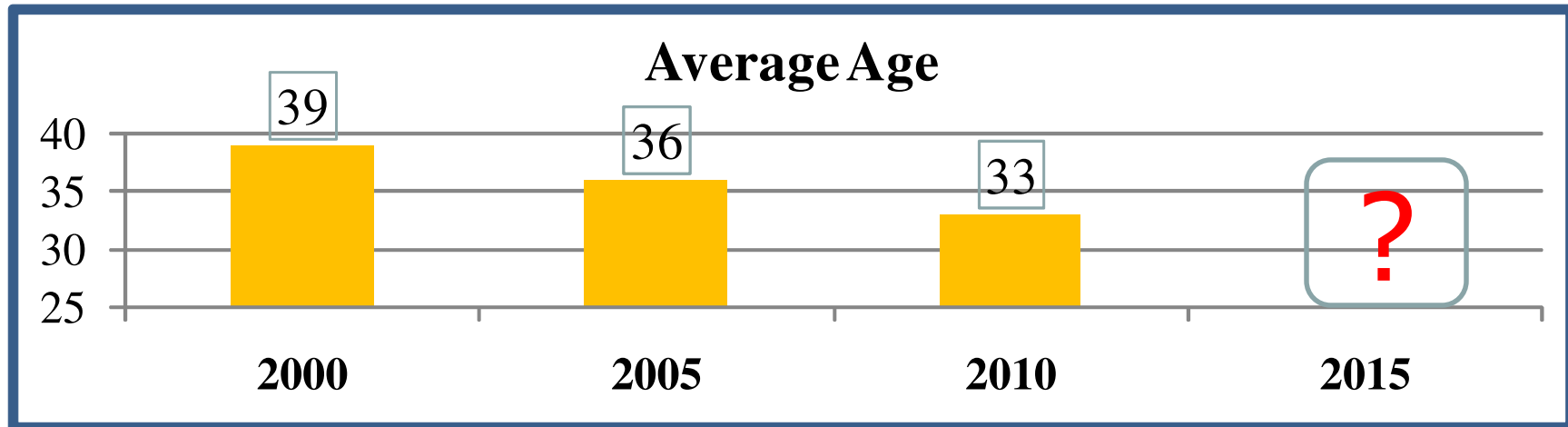
.....a key enabler to fuel auto demand

Indian Pockets growing Deeper

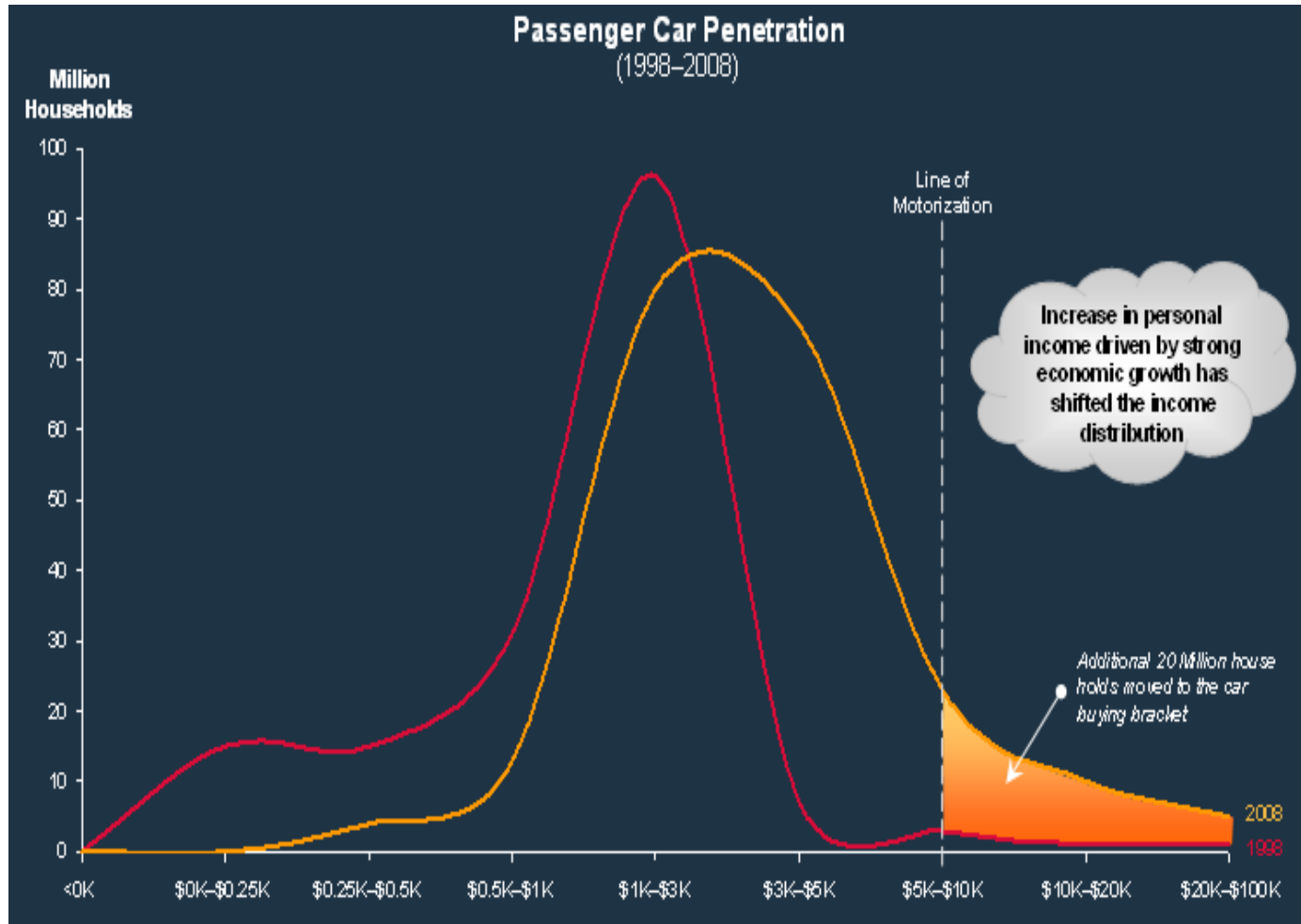
Annual Income (INR)	Number of Households in 2010(million)	Expected Households in 2015 (million)
More than1000000	1.2	3.3
500000-1000000	2.4	5.5
200000-500000	10.9	55.1
90000-200000	91.3	106.0
Less than 90000	101.1	74.1
TOTAL	206.9	244.0



Indian Car Buyer getting Younger



Passenger car penetration



Passenger car penetration (Cars / 1000 population)

India 15, China 40, Europe 400 ~ 700

Some growth forecasts for Indian auto industry

- **The Passenger Vehicle market of India will even cross Japan by selling about 5 million Vehicles by 2017-18.**
- **The Indian auto exports will be upto \$5.62 billion in the year ending March 2011 and the same will grow to \$17.64 billion in 2015-16.**
- **India's share in global auto exports may also triple by 2016.**
- **India's passenger vehicle production projections :**

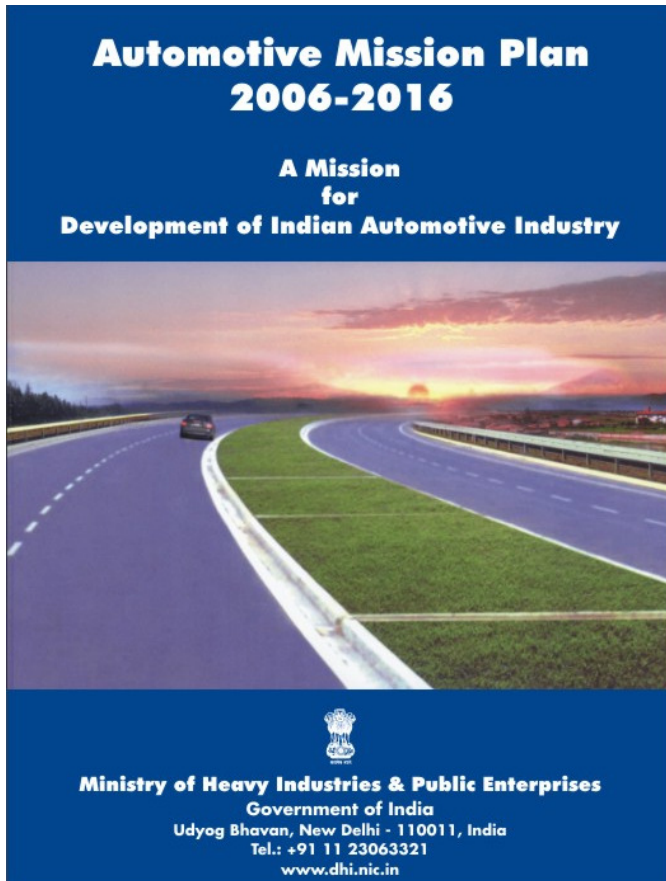
In 2010 – 2.6 million Vehicles

By 2015 – 5.1 million Vehicles

By 2020 – 9.7 million Vehicles

Sources : -SIAM, ACMA & FICCI

AUTOMOTIVE MISSION PLAN 2016



Document prepared by
Government of India
in consultation with
ACMA & SIAM

Automotive Industry viewed as “Locomotive
for Growth”

Turnover
\$ 35 Billion
to
\$145 billion

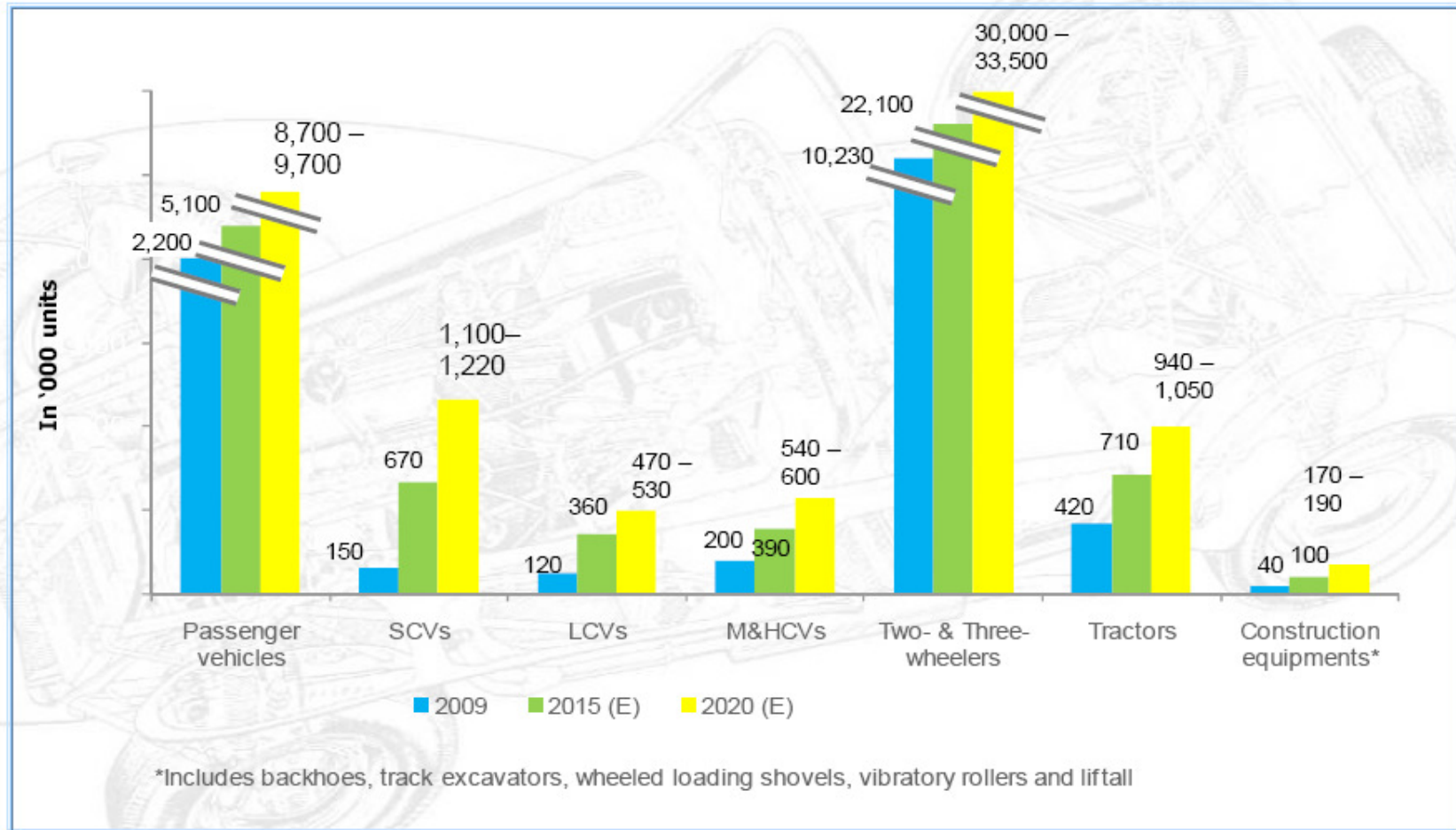
Export
\$ 4.1 Billion
to
\$35 billion

Employment
+ 25 million

Automotive Plan
2016

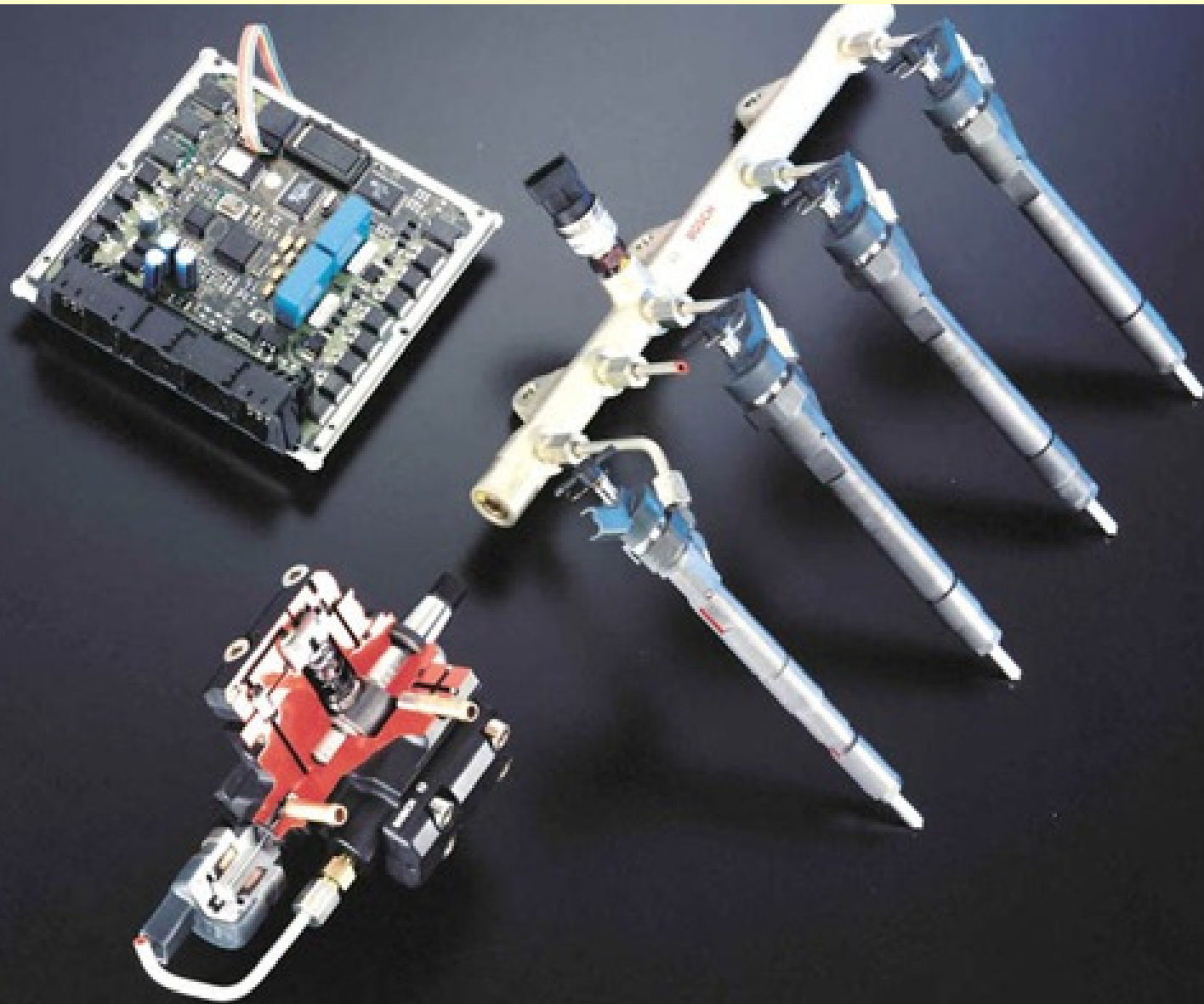
Will contribute 10% of the Country's GDP and
30~35% of the Industry GDP

Segment wise vehicle production in India & Future projections for 2015 & 2020

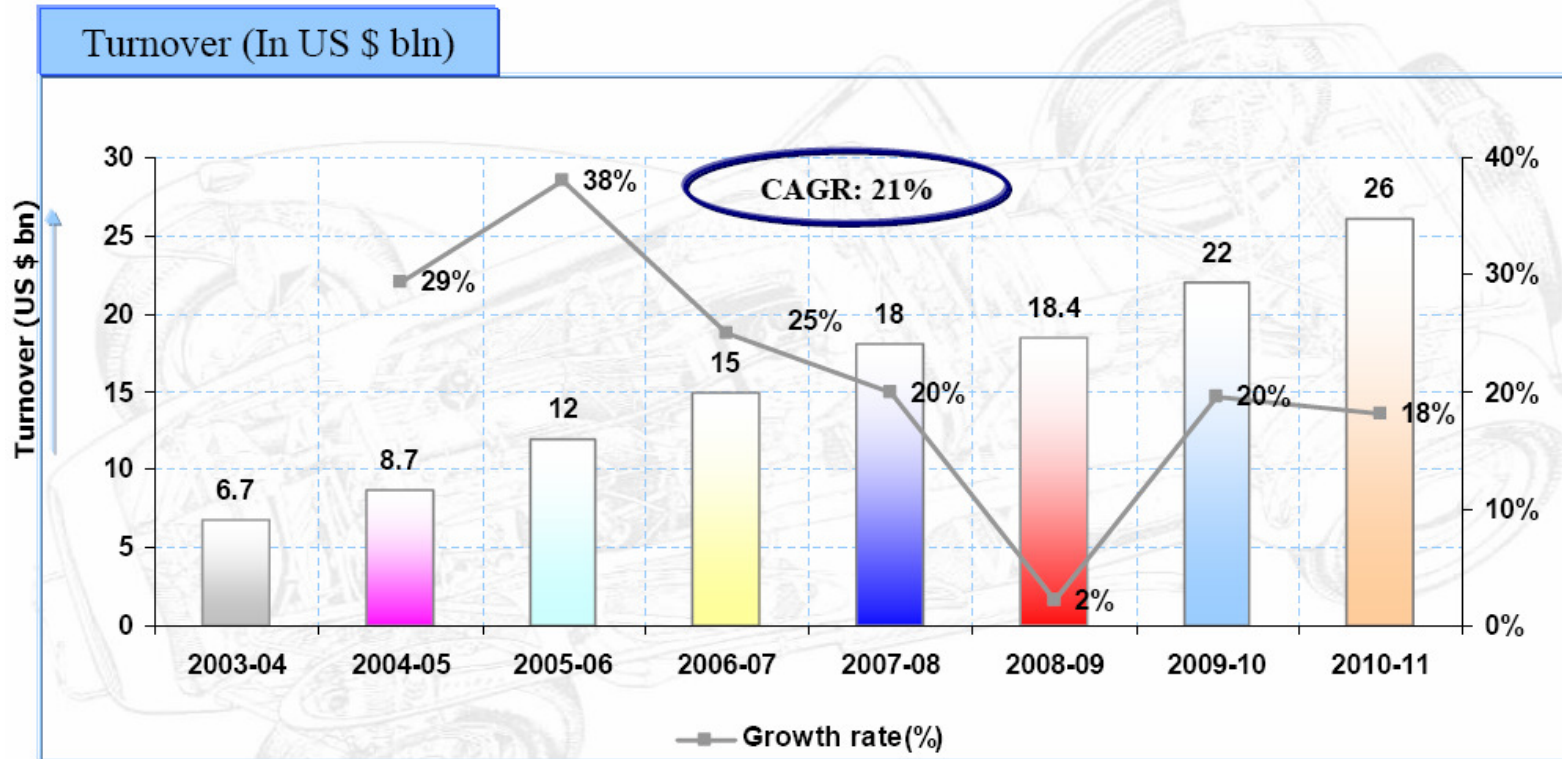


Source: SIAM – EY study

Indian Auto Components Industry

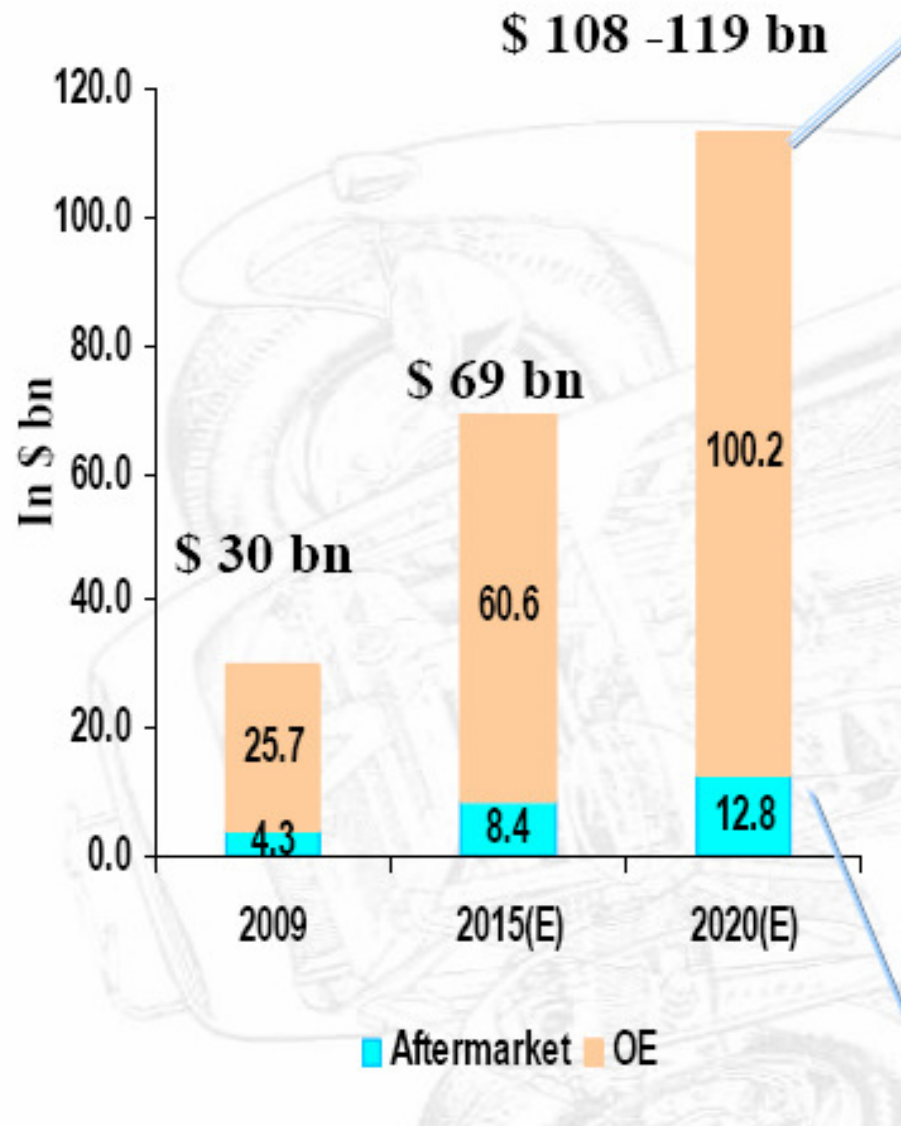


Indian Auto component Industry size & Growth



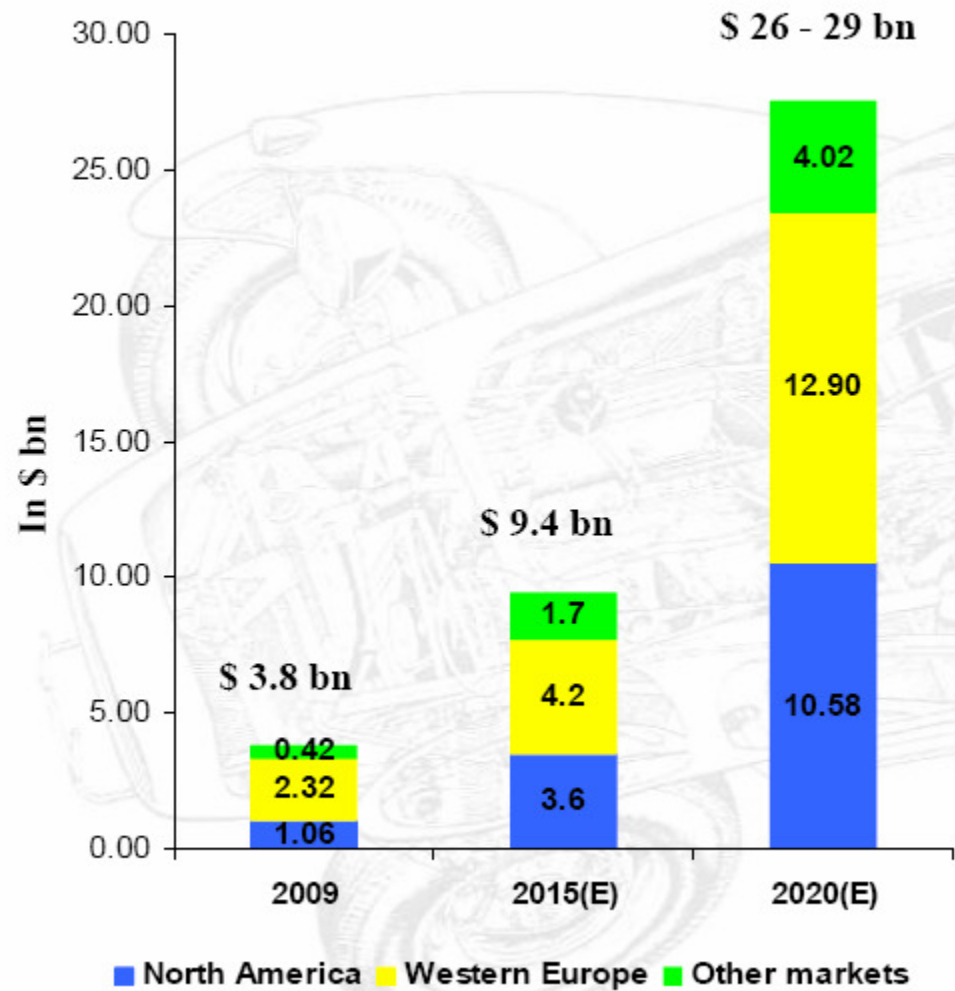
Source: ACMA - EY Vision 2020

Growth projections for Domestic auto components demand



Growth projections of Exports by Indian auto component industry

Geography wise



Investment plan of automobile industry

Auto Industry is expected to invest up to Rs 80,000 crore in fresh capacity in the next four years.

• Major investments will be done by :-

A.) Tata motors - Rs 8,000 Crore.

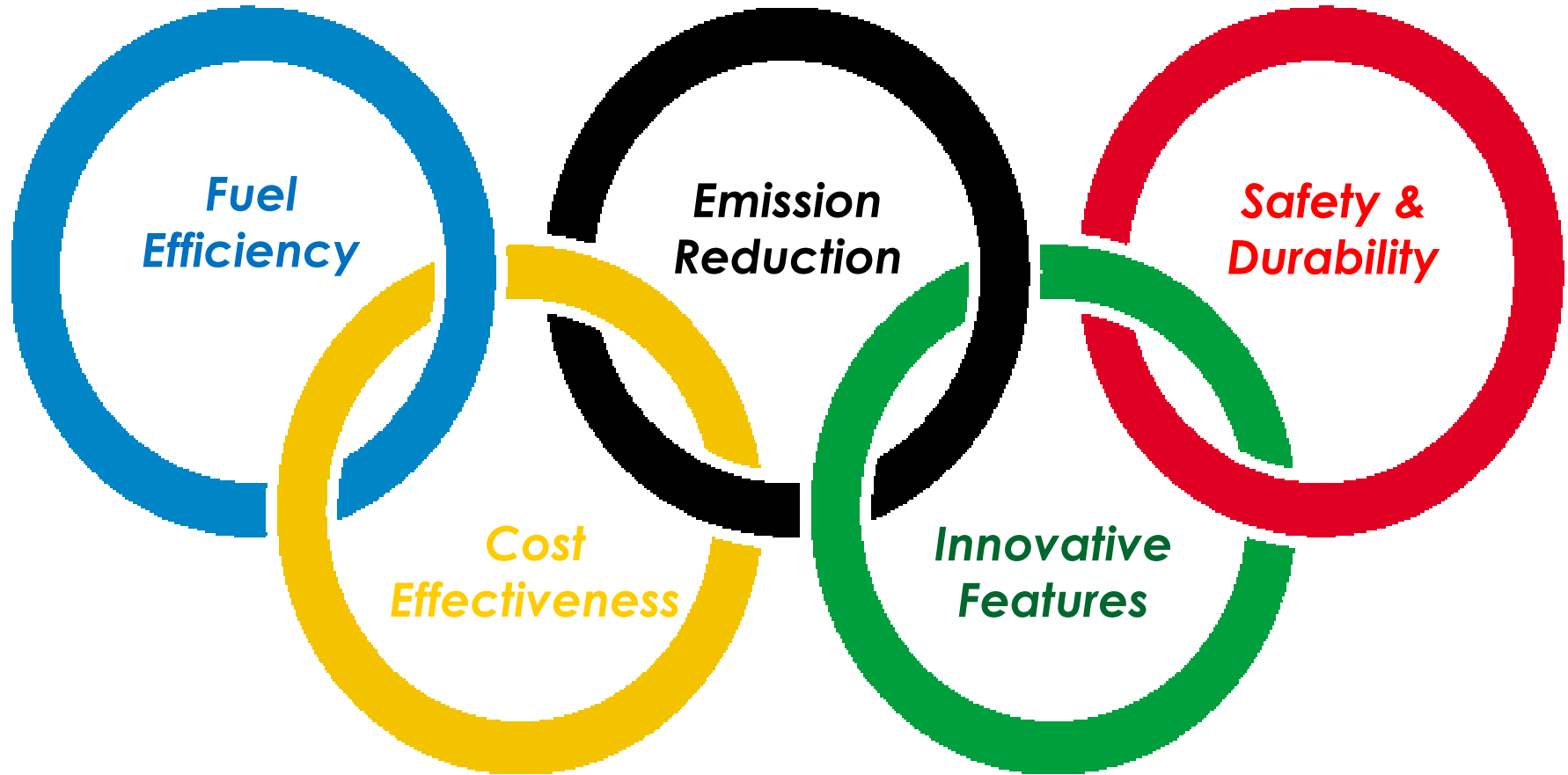
B.) Maruti Suzuki – Rs 3800 Crores

C.) Daimler India - Rs 3,500 Crore.

D.) Toyota - Rs 3200 Crores.

These investments by automakers is set to trigger expansion of capacities by component suppliers and the components industry will also invest Rs 54000 crores up to the end of 2011.

Future technological demands



An interwoven web of often conflicting requirements

Fuel Efficiency and Emission Control



Fuel Cell



EV



Hybrids

Innovative Features

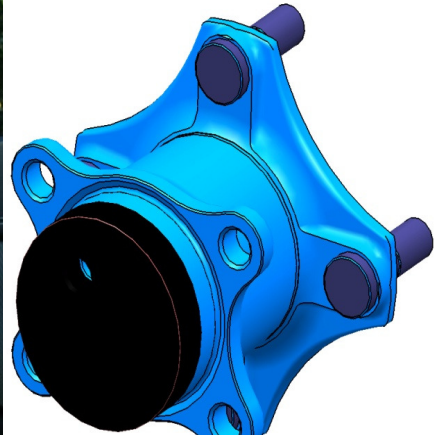


Key less entry

www.shutterstock.com · 52929073



Soft feel Interiors



Long life components



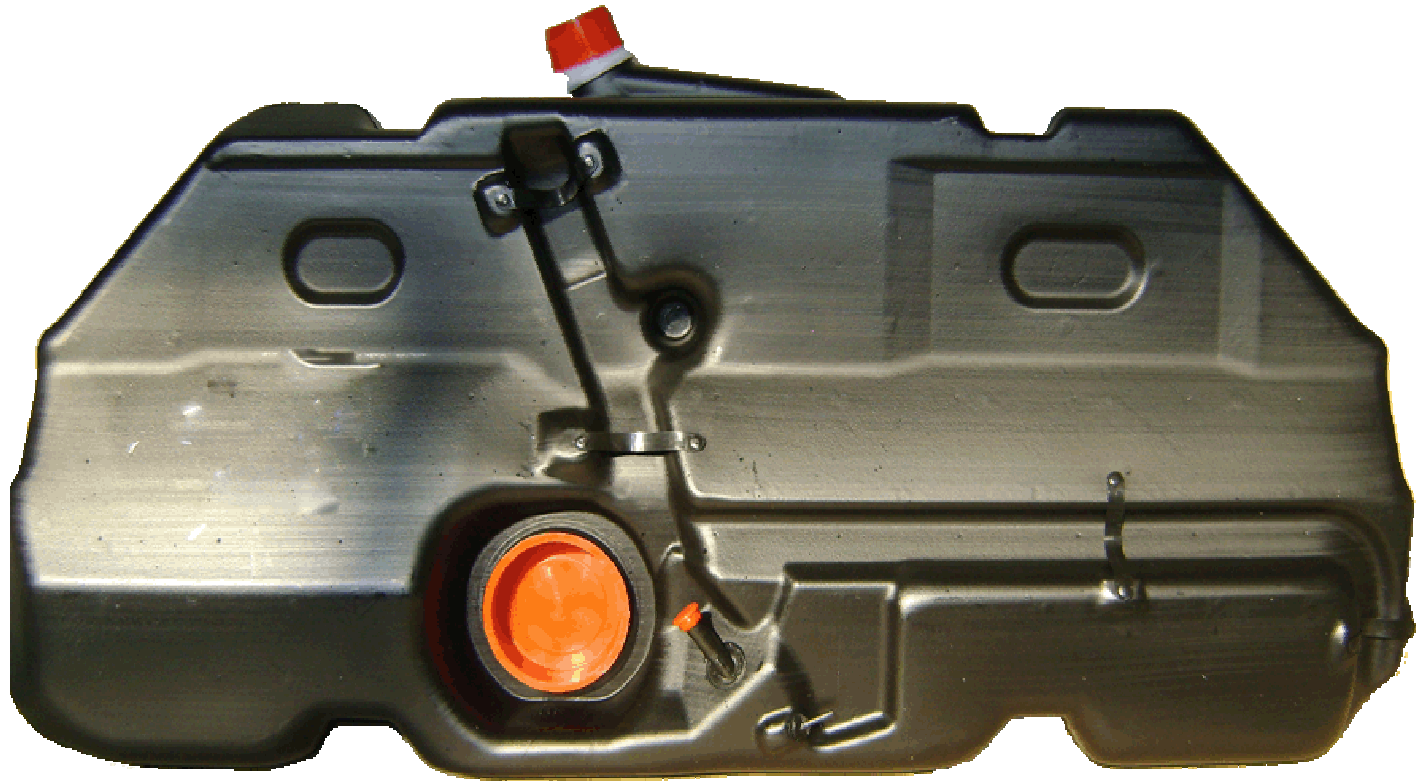
Electrically controlled mechanisms



Enhanced driving comfort

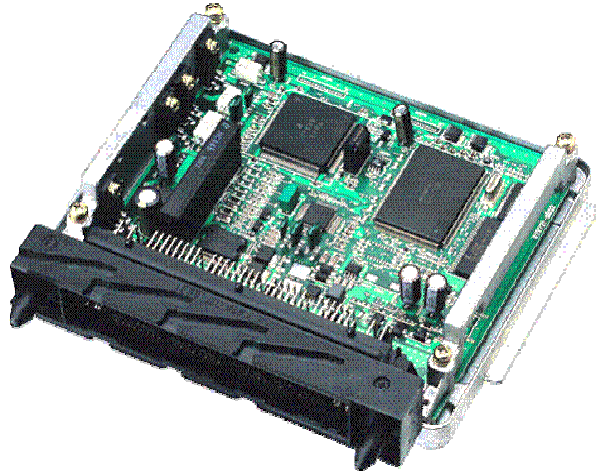


Composites



Plastic Fuel Tank

Cost effectiveness



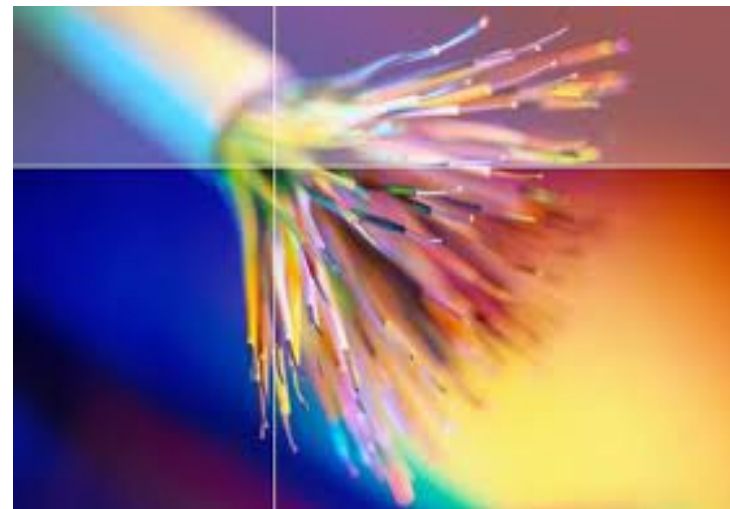
Bi Fuel ECUs



Foam injected plastic parts



In-mould decoration



Aluminium wiring harness

Safety and Durability

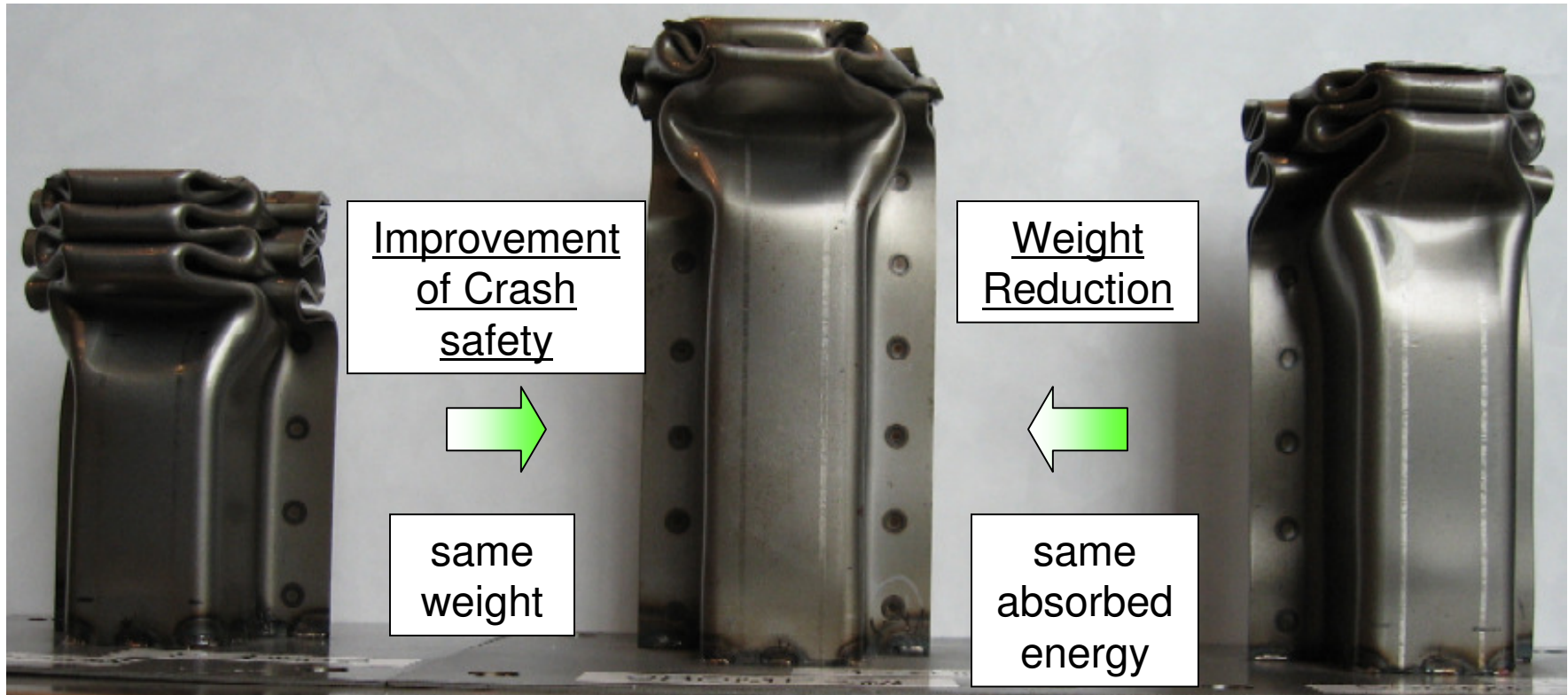




Special Steel e.g. HSS,
Galvannealed

High Strength Steel (HSS)

Crash Test



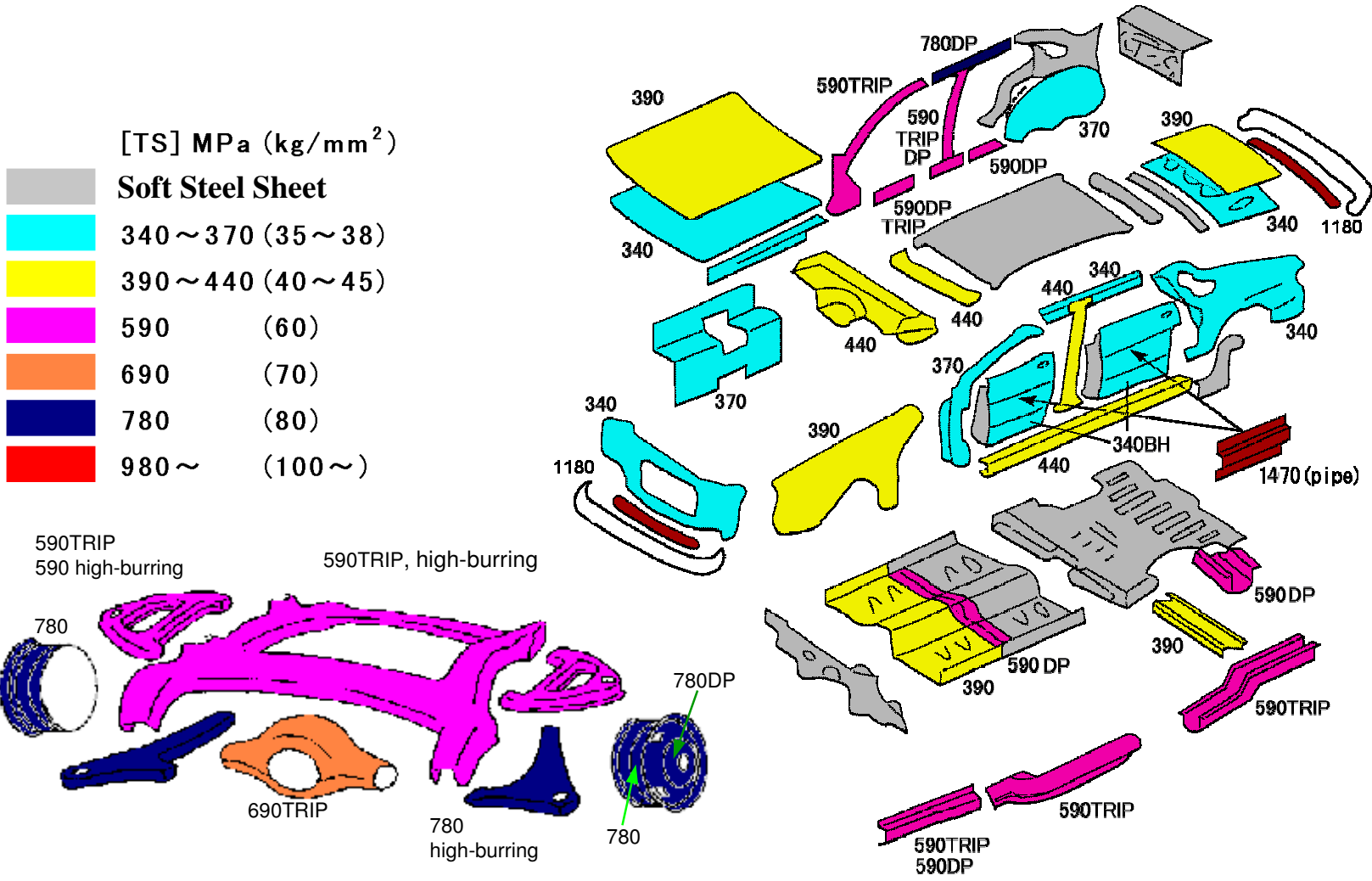
Normal
Strength
t=1.4mm

High
Strength
t=1.4mm

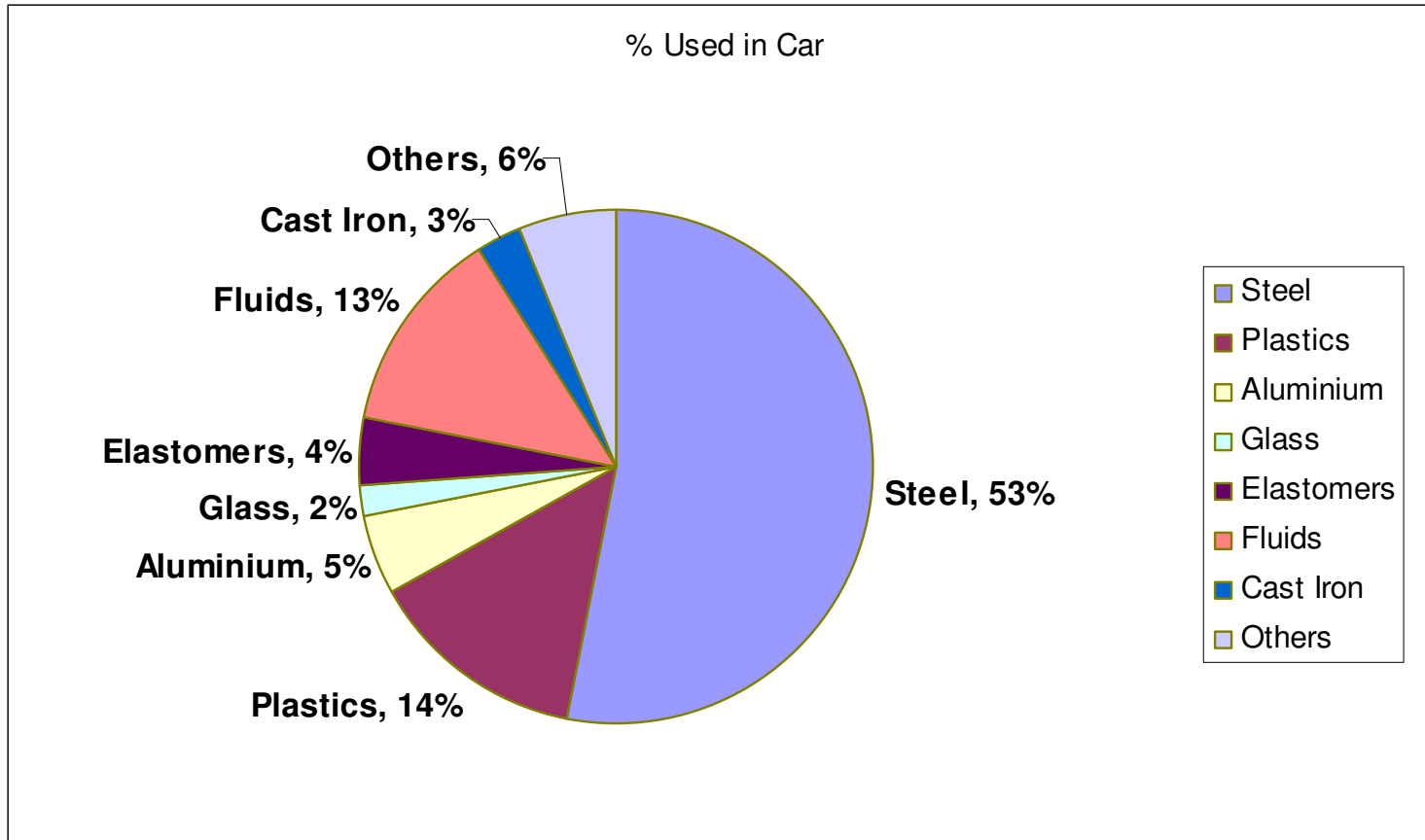
Normal
Strength
t=1.6mm

Example of HSS in Automobile

[TS] MPa (kg/mm ²)	
Soft Steel Sheet	
340 ~ 370 (35 ~ 38)	
390 ~ 440 (40 ~ 45)	
590 (60)	
690 (70)	
780 (80)	
980 ~ (100 ~)	



Ratio of Average raw material used in a typical car



Raw material	Steel	Plastics	Aluminium	Glass	Elastomers	Fluids	Cast Iron	Others
% Used in Car	53%	14%	5%	2%	4%	13%	3%	6%

Challenges that Indian auto industry has to address

**Scale up Capacities &
Absorbing newer
technologies**

Cost competitiveness

Infrastructure development

**Improve productivity of both
labour and capital**

**Favorable and predictable
business environment**

**Availability of cost effective
capital**

**Availability of raw material
commensurate with growth**

**Availability of auto grade
technically advanced
material**

Auto industry looks forward for the support of Indian raw material industry to meet the future ahead



Thank You !