

ACMA

Automotive Component Manufacturers Association of India

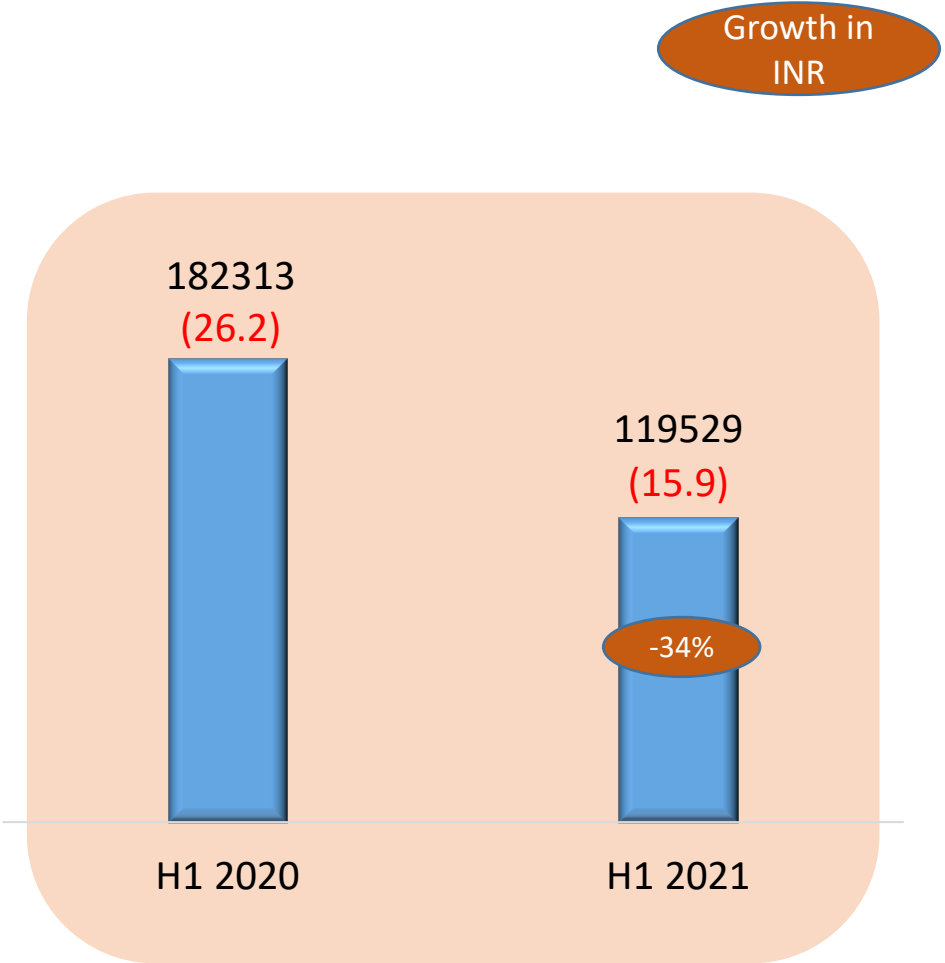
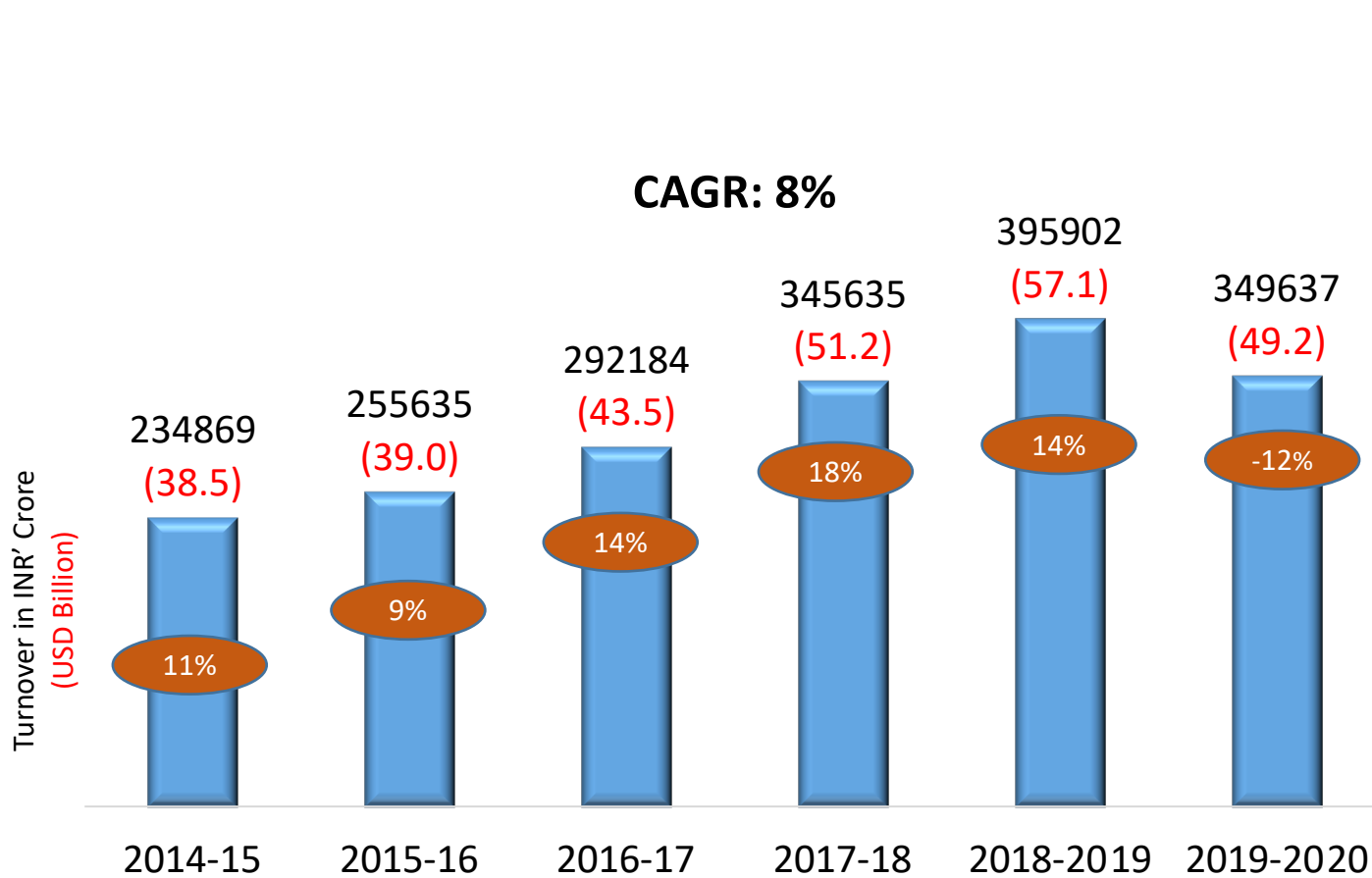
Press Conference



H1 FY 2021/ H1 FY 2020

16th December 2020, New Delhi

Auto Components Industry Performance: H1 FY 2021



- Indications of vehicle demand sustaining post the festive season
- Industry cautiously optimistic about near to mid-term future

(Turnover includes supplies to OEMs, aftermarket sales and exports)

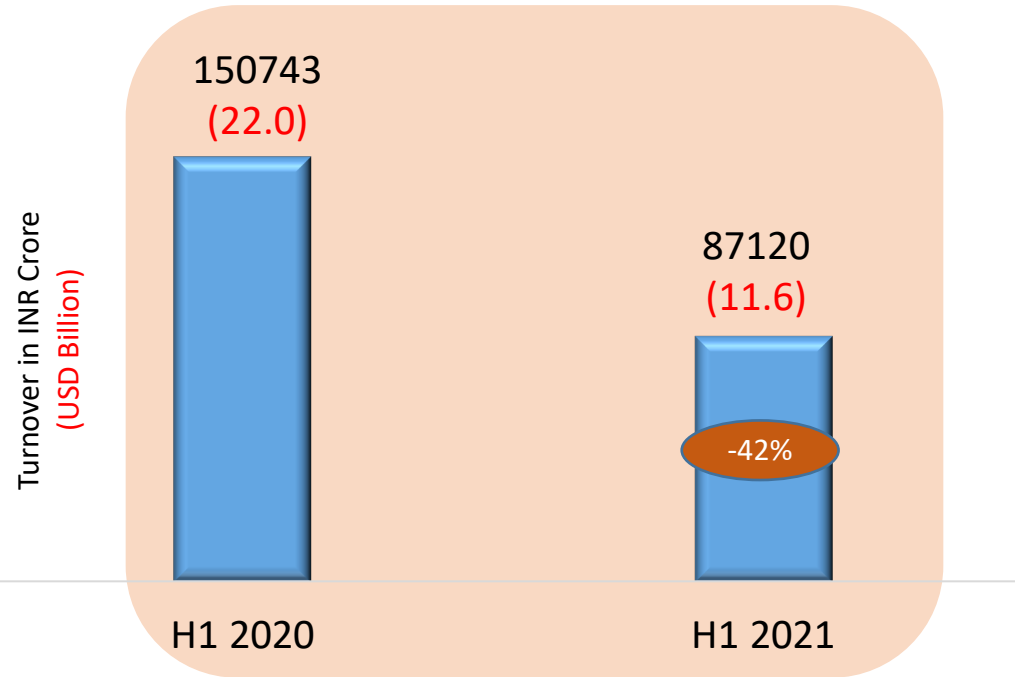
Conversion rate:

1 USD - INR 75.0 (H1 2021)

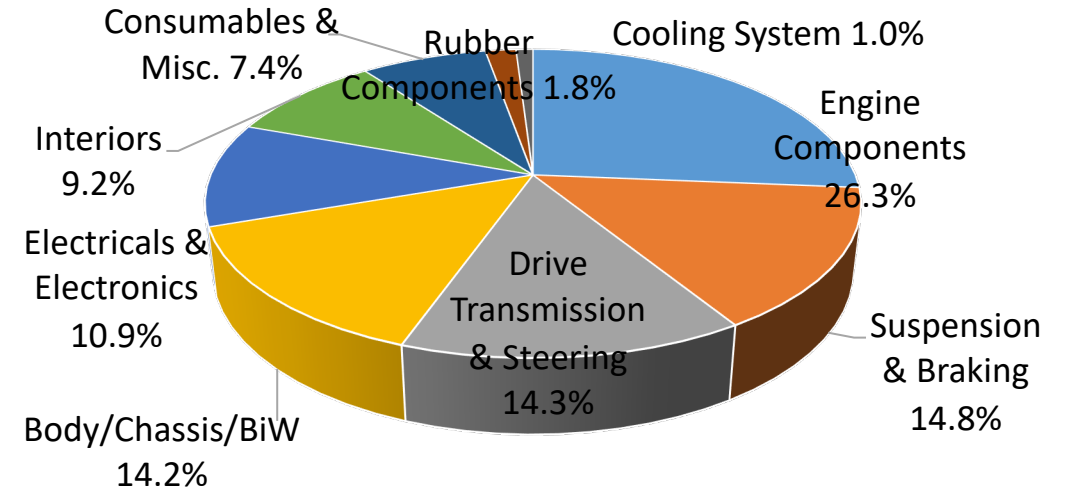
1 USD - INR 68.5 (H1 2020)

Auto Components Supply to OEMs: H1 FY 2021

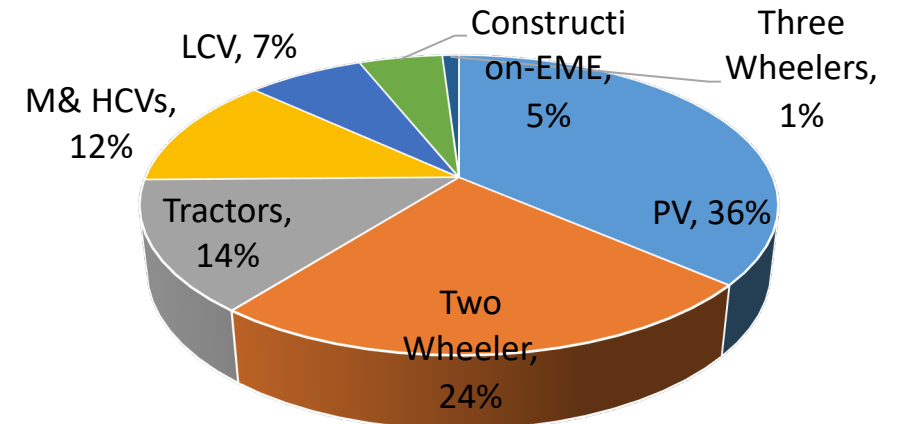
OEMs Purchase



Component sales by category:



Component sales by segment:

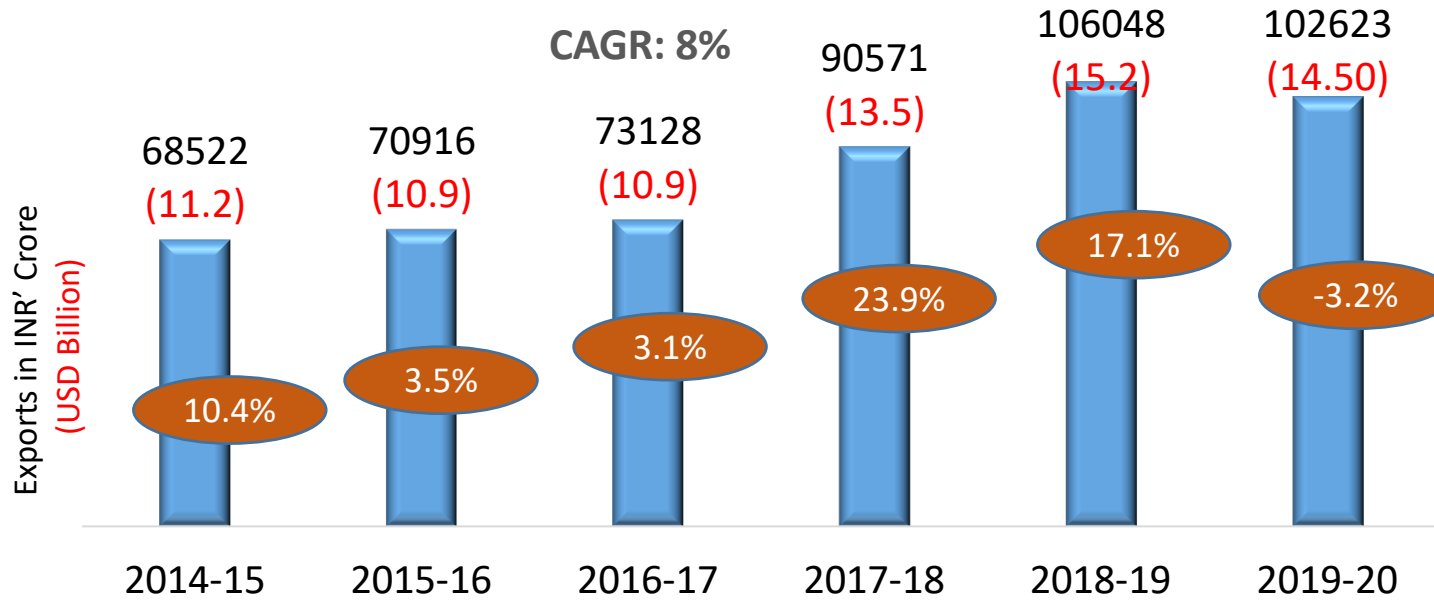


Definition:

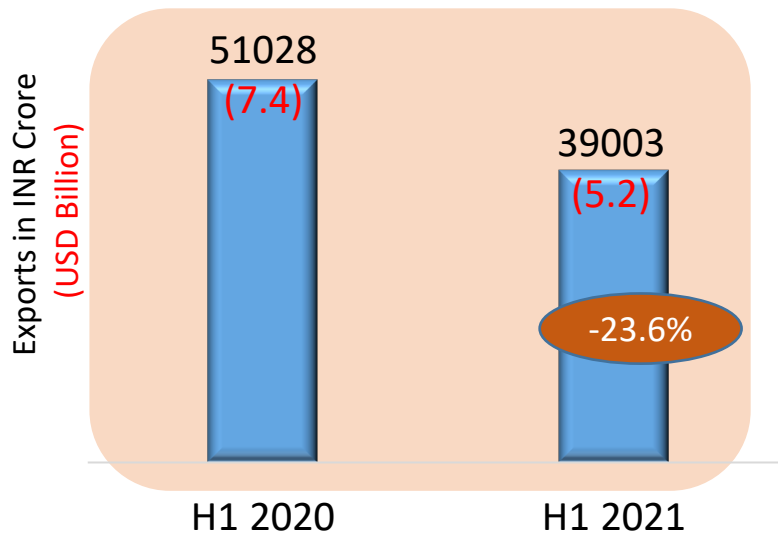
PV	Passenger Cars, Utility Vehicles, Vans	3Wh	Goods and Passenger 3 wheelers
2Wh	Scooters, Motorcycles, Mopeds	Tractors	Tractors
LCV	All Commercial Vehicles < 7.5 T	EME	Earth Moving Equipment
M & HCVs	All Commercial Vehicles > 7.5 T		

Auto Components Industry Export Performance: H1 FY21

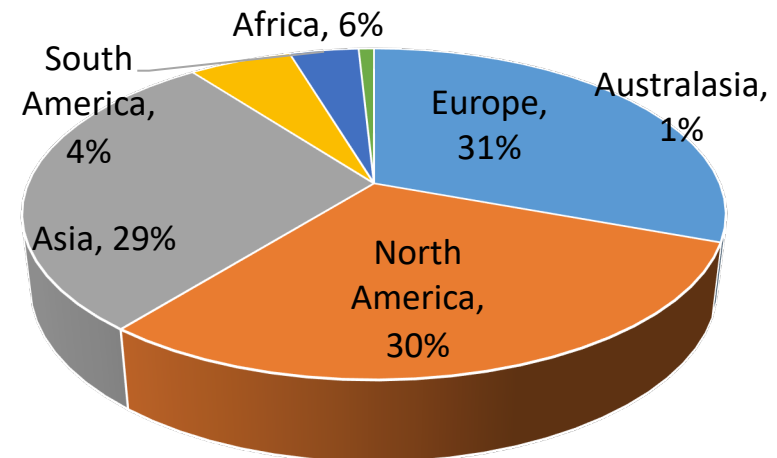
Growth in INR



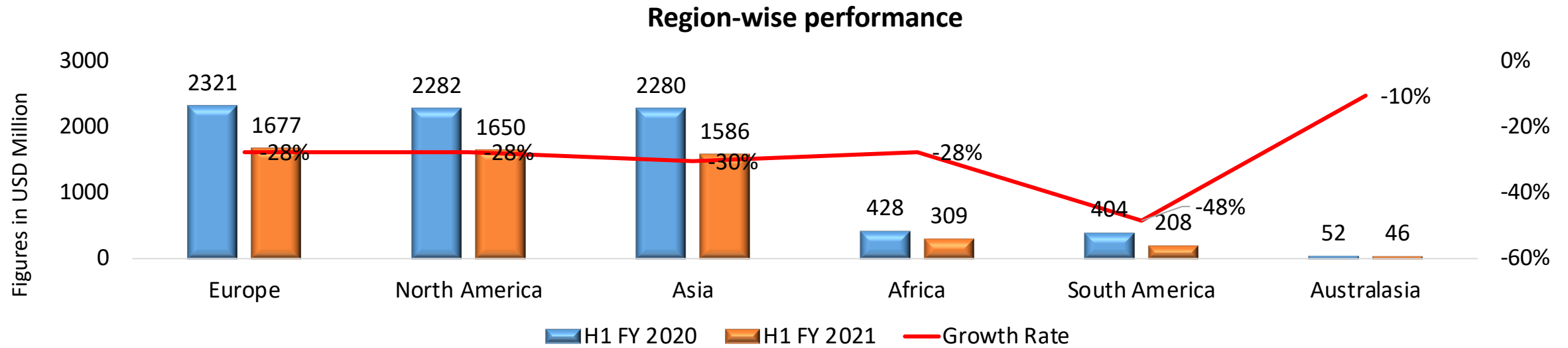
H1 Performance



Region wise share



Auto Components Industry Exports Performance: H1 FY21

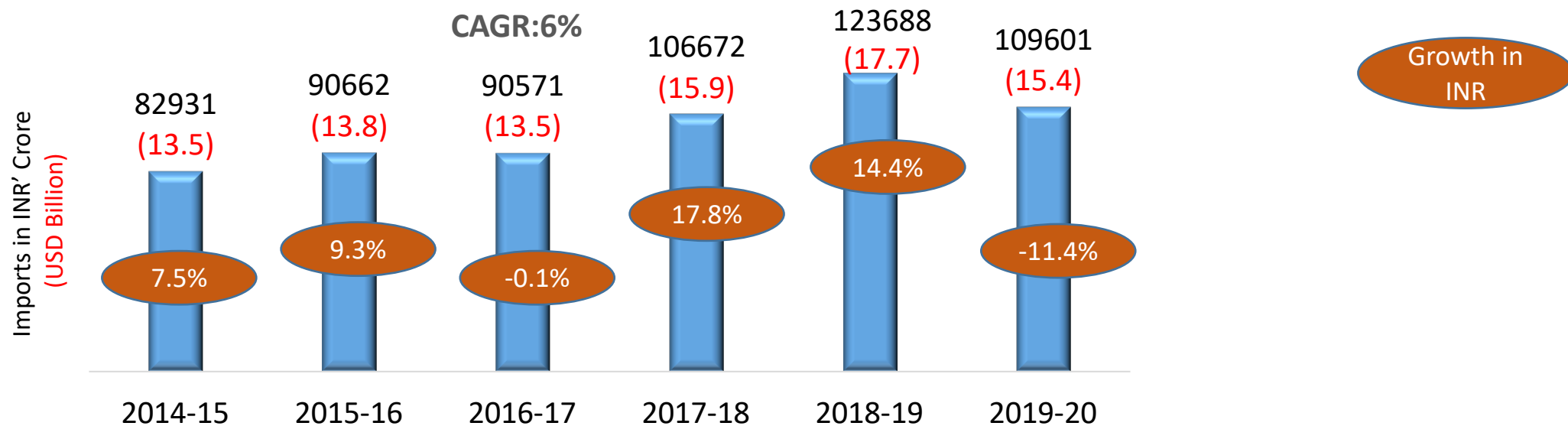


Export Destinations: Top 8 Countries performance: H1 FY 2021

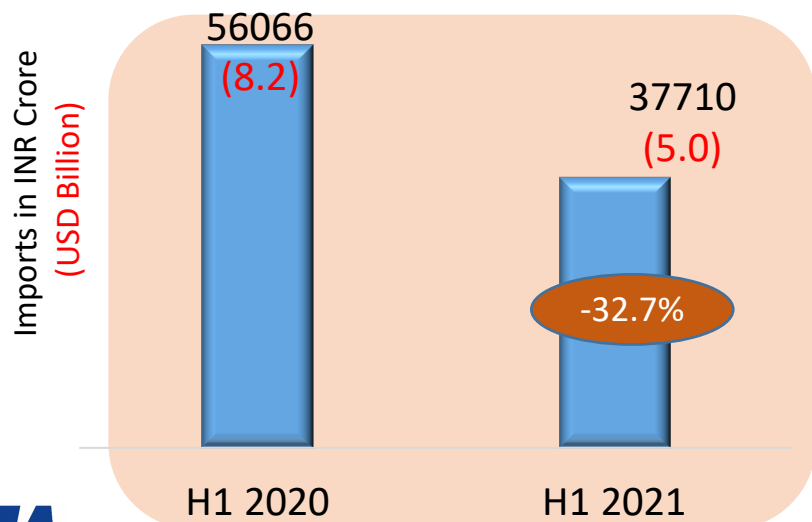
Country	Share	Growth Rate	Country	Share	Growth Rate
USA	28%	-25%	UK	4%	-40%
Germany	8%	-20%	Bangladesh	3%	-34%
Thailand	4%	-34%	Mexico	3%	-44%
Turkey	4%	-12%	Italy	3%	-37%

59%

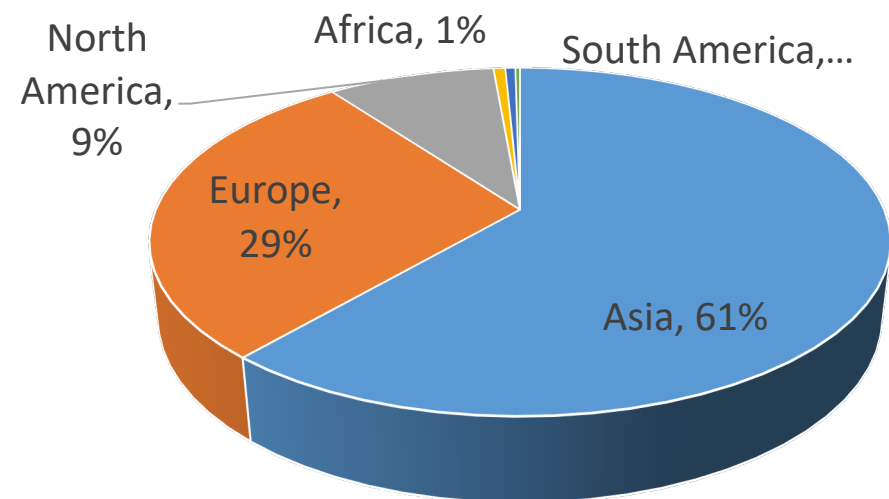
Auto Components Industry Import Performance: H1 FY21



H1 Performance

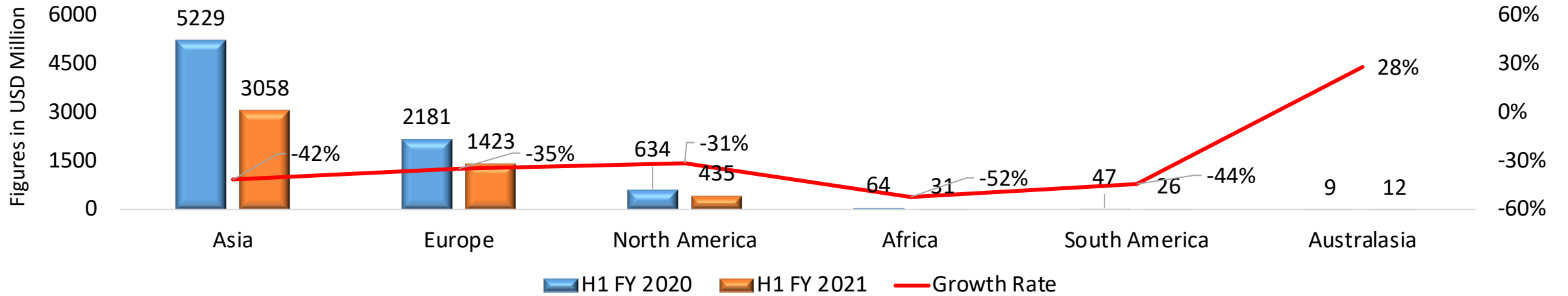


Region-wise share



Auto Components Industry Import Performance: H1 FY21

Region-wise performance

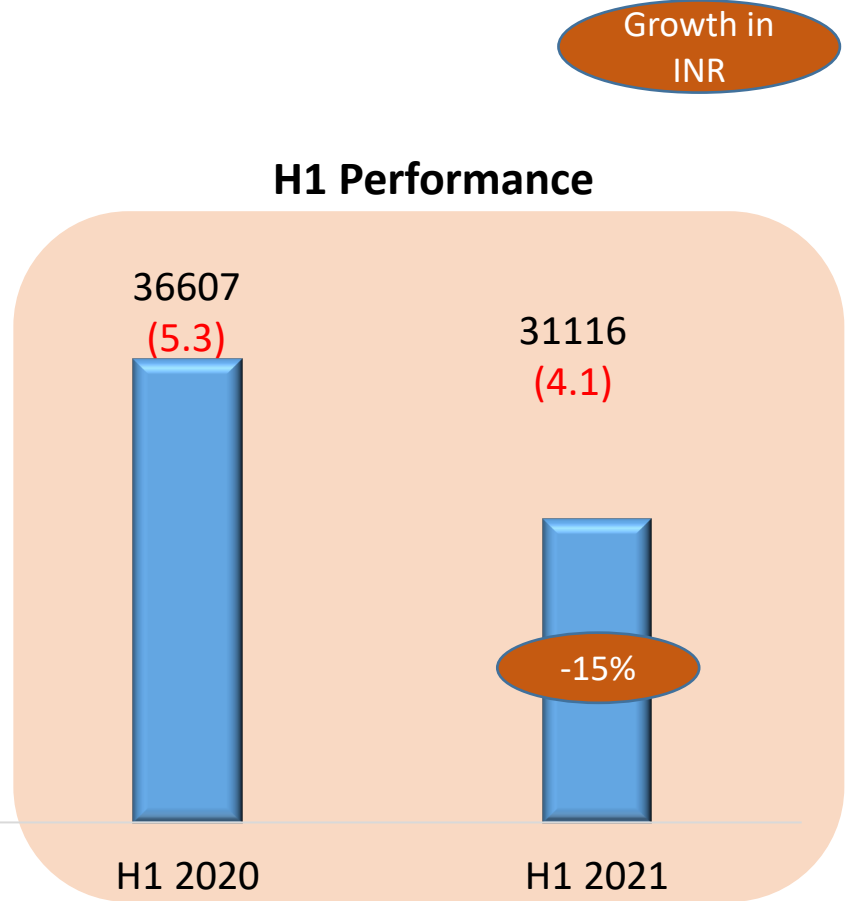
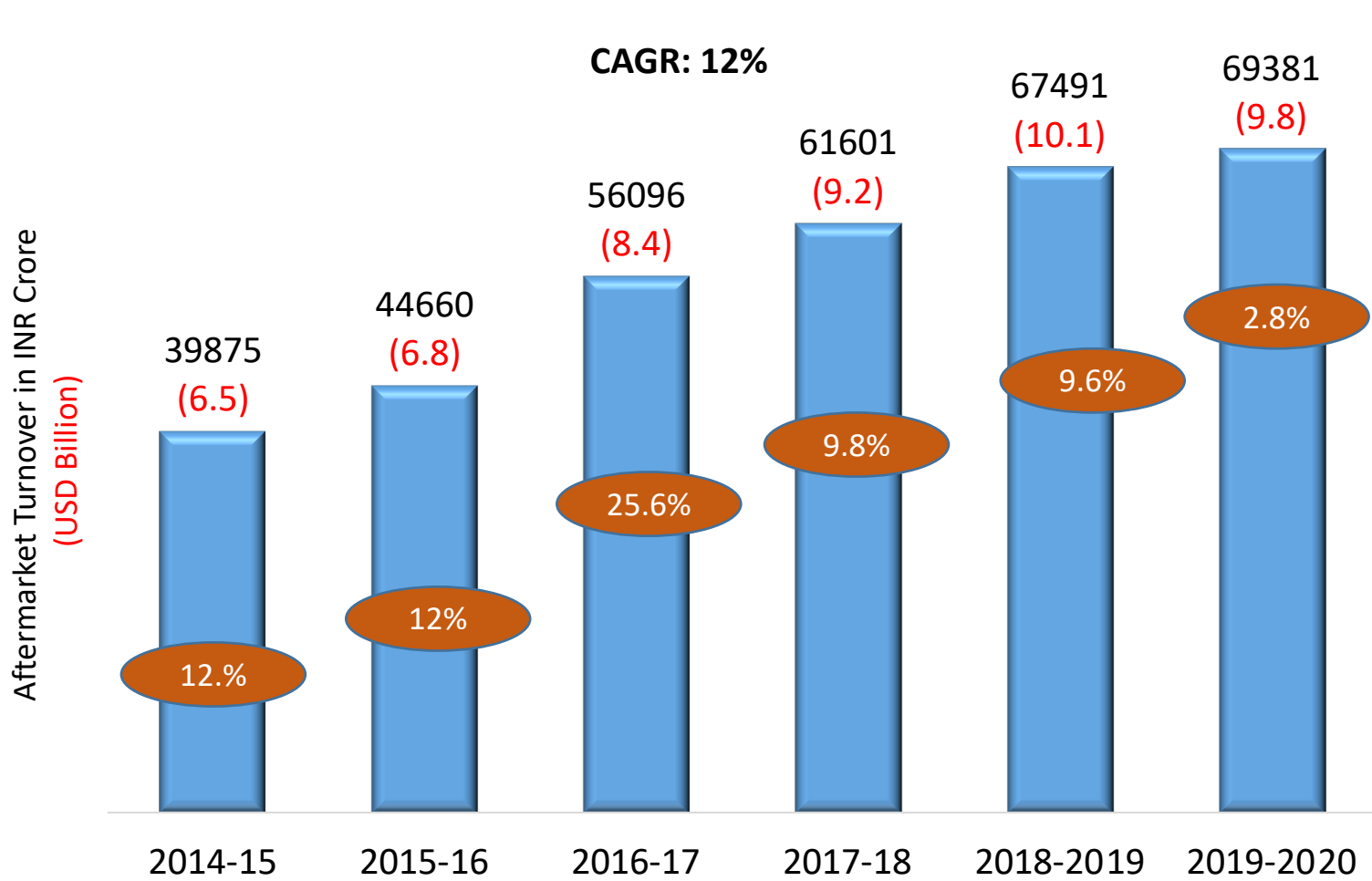


Origin of Imports: Top 8 Countries performance: H1 FY 2021

Country	Share	Growth Rate	Country	Share	Growth Rate
China	27%	-36%	Japan	4%	-45%
Germany	13%	-40%	Singapore	6%	-46%
South Korea	12%	-46%	Thailand	5%	-48%
USA	9%	-27%	Italy	3%	-36%

78%

Indian Automotive Aftermarket: H1 FY 2021



Summary: H1 2021 vs H1 2020

Figures in INR Crore	H1 2020	H1 2021	Growth Rate
Auto Components Supply to OEMs	150743	87120	-42%
Aftermarket	36607	31116	-15%
Exports	51028	39003	-24%
Imports	56066	37710	-33%
Industry Turnover	182312	119529	-34%

Figures in USD Billion	H1 2020	H1 2021	Growth Rate
Auto Components Supply to OEMs	22	11.6	-47%
Aftermarket	5.3	4.1	-23%
Exports	7.4	5.2	-30%
Imports	8.2	5.0	-39%
Industry Turnover	26.6	15.9	-40%

Conversion rate:
 1 USD - INR 75.0 (H1 2021)
 1 USD - INR 68.5 (H1 2020)

Key Recommendations to Promote Auto Component Manufacturing & Exports

Manufacturing/Localization:

1. Early Implementation of PLI Scheme for Auto & Auto Component Industry
2. Early Implementation of PLI Scheme for National Program on Advanced Chemistry Cell (ACC) Battery
3. Inclusion of Auto Electronics Manufacturing in SPECS or introduce PLI for Auto Electronics Manufacturing
4. Enlarge scope of FAME-II to include xEV Component Manufacturing
5. Implementation of standards for Aftermarket

Exports:

1. Early Implementation of RoDTEP Scheme
2. Ease in Customs Administration of Rules of Origin under Trade Agreements Rules, 2020 (CAROTAR, 2020)
3. Release of funds against MEIS scrips for FY 2019-20 and 9 months of the FY 2020-21 i.e. from 01.04.2020 to 31.12.2020
4. Continuation of EPCG Scheme in New Foreign Trade Policy 2021-2026
5. Smooth Transition of existing schemes/incentives in New Foreign Trade Policy

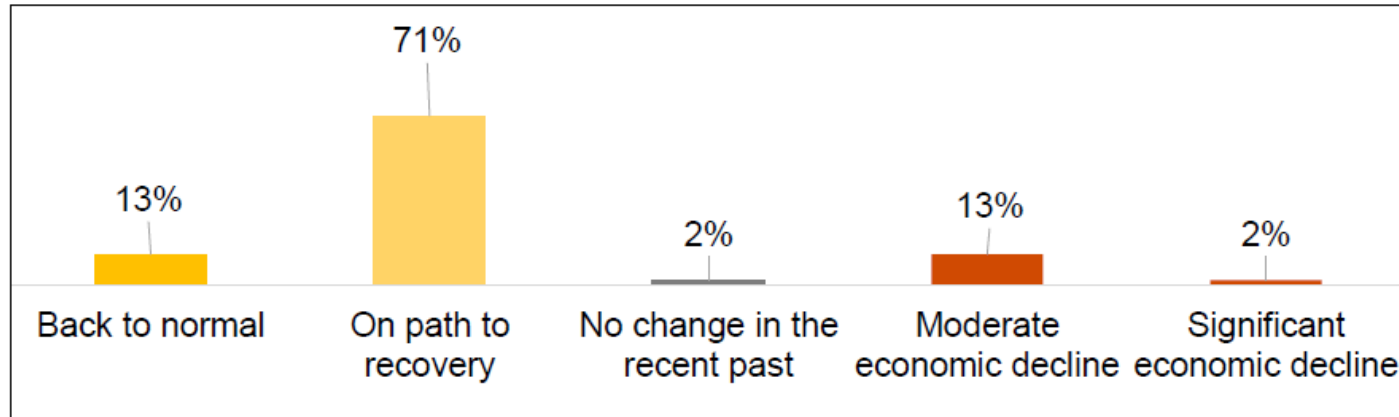


Key findings of ACMA- PwC Survey on State of the Industry

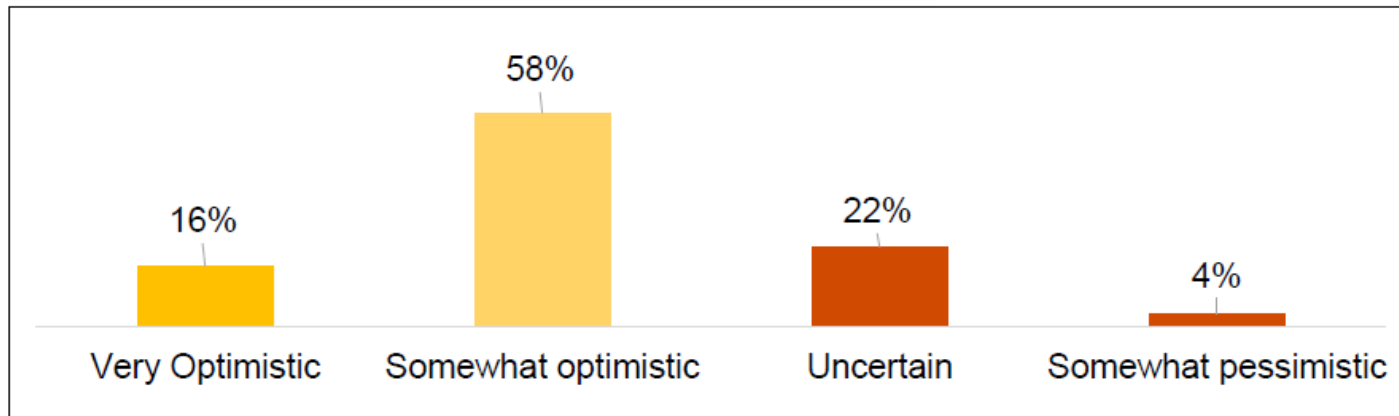
Economic Growth Outlook

FY21: 84% of respondents believe economy is on the path to recovery, 74% optimistic about growth in FY22

Outlook on the economy | FY21



Outlook on the economy | FY22

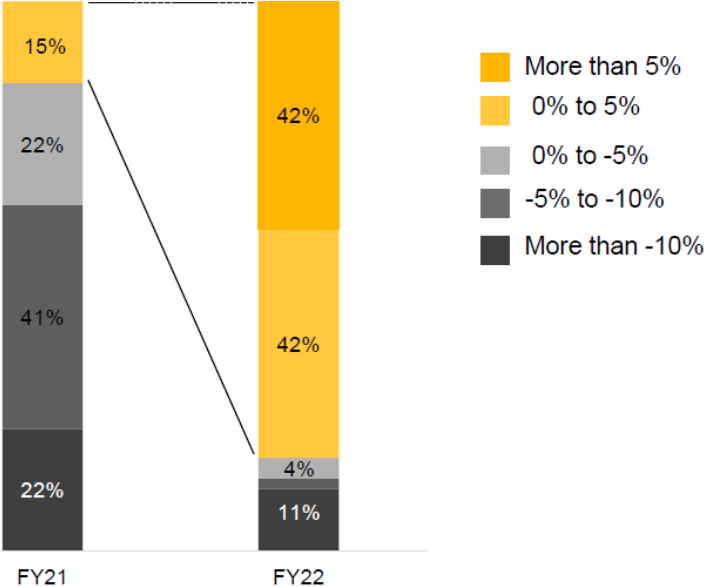


Key Concerns:

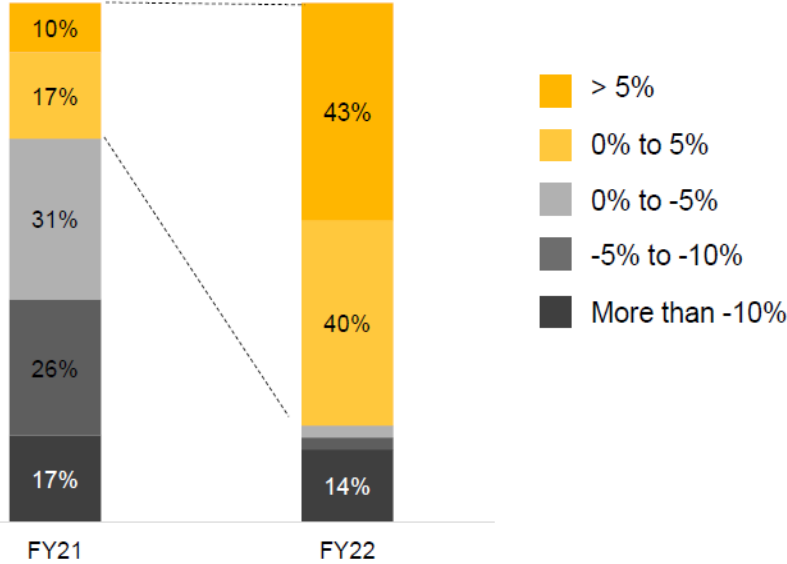
- Political/ Geo political vulnerability
- Financial stress in key sectors
- Potential resurgence of pandemic
- Sustainability of demand & economic recovery

Auto Component Industry Growth Outlook for FY 2021 & FY 2022

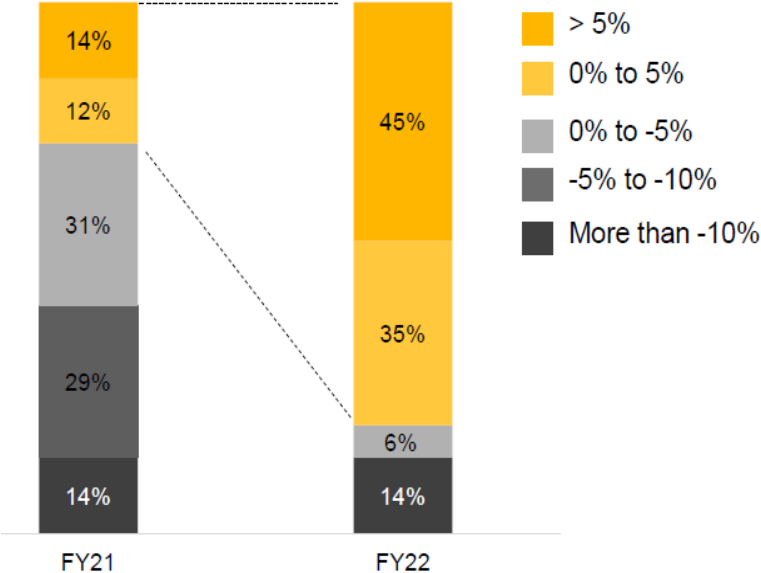
Auto Components Industry



Exports



Aftermarket



- Overall sense of optimism: expectations of positive recovery in FY22
- 42% expect an industry growth of >5%
- Additional policy support (ease of doing business, PLI, labor laws) would help in a stable recovery

- Exports has generally seen less volatility than domestic sales; risks due to 2ndwave remain
- Global firms de-risking supply chains away from China, India stands to benefit

- Strong growth in aftermarket segment
- Delay in car purchases-continued repairs of existing vehicles
- Repairs avoided during lockdown: pent-up demand

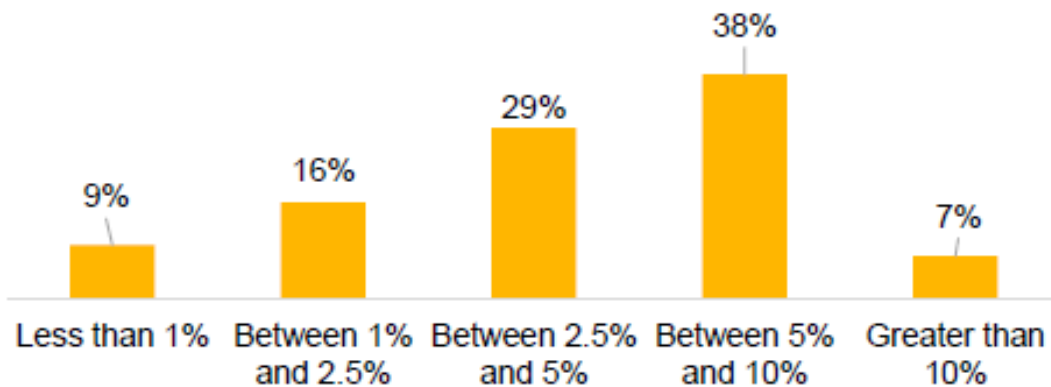
Investment Outlook for FY21 & FY22

FY21 investments being resumed;
FY22 seeing focus on growth and expansion CAPEX

Impact of COVID-19 on investments | FY21

- 51% resumed prior Investment plans
- 25% plans changed by COVID-19
- 24% paused investments

CAPEX | % of annual revenue | FY22



- ~75% of CAPEX planned aimed at growth or expansion
- Numerous respondents suggested lockdown led to reduced capex investment in FY21, delayed investments to FY22
- Increase in demand close to festive period leading to considerations of capacity expansion
- Long-term focus on digitization, increased R&D investment, greater emphasis on reskilling employees

Thank You

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