

Top carmakers post double-digit export growth with Maruti at the wheel

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Notwithstanding global headwinds, passenger vehicle (PV) exports from India grew at a fast clip in Calendar 2022 (CY22), led primarily by a 28 per cent growth in exports by the country's largest PV maker — Maruti Suzuki India (MSIL) — during the year.

According to the Society of Indian Automobile Manufacturers (SIAM) data, the overall PV exports clocked 11 per cent growth during the first 11 months of 2022, to 535,352 units. The December export data is yet to be released by the automotive industry body.

MSIL beat its Korean rival Hyundai Motor India (HMIL) in exports in 2021-22 and managed to maintain momentum. HMIL, too, saw strong growth of 13.7 per cent in exports in CY22, to 148,300 units, up from 130,380 units in 2021, reveals data.

MSIL, on the other hand, exported 263,068 units in CY22, up from 205,450

units in Calendar 2021.

MSIL's exports grew threefold, stacked up against Calendar 2020 (85,208 units) and more than twofold versus the pre-pandemic year of 2019 (107,190 units).

MSIL's Managing Director and Chief Executive Officer Hisashi Takeuchi said: "Crossing the 200,000 milestone in exports for the second consecutive year signifies the trust, quality, reliability, performance, and affordability of our products. This achievement further aligns with our strong commitment to the Government of India's Make in India initiative to manufacture products to delight global customers."

He added, "We are thankful for the support from our parent company — Suzuki Motor Corporation — to enable us to leverage a wider distribution network across the globe. Further, adding more models to our portfolio helped sustain



excitement in the export markets."

MSIL's export market network got a leg-up, thanks to its partnership with Toyota Motor Corporation.

Puneet Gupta, director, S&P Global Mobility, pointed out: "Last year has been one of the best years for MSIL. It has since shown manifold increase. One

BEATING THE ODDS

Passenger vehicle exports by key players

	2021	2022	Growth (%)
Maruti Suzuki India	205,450	263,068	28
Hyundai Motor	130,380	148,300	13.7
M&M*	29,910	33,568	12.23
Tata Motors	795	783	-1.5

Note: For full year; *Includes farm sector sales Sources: Companies, SIAM

Overall PV exports

Jan-Nov '21
481,792

Jan-Nov '22
535,352

% growth 11.1

reason is that it has partnered Toyota that is using the Suzuki portfolio for exports also. The upside: India's largest player is not only focusing on the domestic market, but on exports as well."

For instance, the Grand Vitara, produced by Toyota Kirloskar Motor, is exported from the country, apart from domestic sales.

The company primarily exports to

countries in Africa, West Asia, Latin America, the Association of Southeast Asian Nations, and neighbouring regions. It exports 16 models at present. In 2022, the highest exported models by MSIL were the Dzire, Swift, S-Presso, Baleno, and the Brezza, said MSIL.

In July, MSIL Executive Director (Corporate Planning and Government Affairs) Rahul Bharti said in an analyst

call that uncertainties of one market or one country having some kind of economic cycle always exist in exports.

"But the only strategy is that you have to spread yourself across more such markets and gain from more... The distribution network of our parent is helping us. So far fortunately, there is no such signal of inflation or any economic cycle affecting it," Bharti had said.

HMIL, meanwhile, which is a critical part of Hyundai Motor Company's global export hub, currently exports to around 85 countries across Africa, West Asia, Latin America, Australia, and Asia Pacific. According to experts, a major challenge with both Hyundai and Kia is to maintain the pace of exports, as well as rising demand from the domestic market. "Exports have become more of a constraint for Hyundai and Kia because of limited production capacity. Their exports in 2022 were good but in the years to come, they will be in a pickle whether to export or sell in the domestic market," said Gupta.

Turn to Page 6

published by EY and ISpA, the space tech sector has upwards of 100 start-ups as of 2021, even though investments remain relatively low at \$68 million. By 2025, satellite manufacturing will be the second-fastest growing segment in the Indian services economy, with launch services growing the fastest, it said.

The global space economy is expected to cross \$600 billion by 2025, up from \$447 billion in 2020, according to EY. In India, the satellite services and application market was potentially worth \$4.04 billion, while the development of launch vehicle services was estimated to be worth \$722 million. These two industries have the highest number of space-tech start-ups.

There has been little precedent for setting up similar space-tech-based parks in India. In June 2022, Ananth Technologies launched India's largest private spacecraft manufacturing facility in Bengaluru. It is a 15,000-sqm facility containing four independent modules.

The facility is located at the Aerospace Park of the Karnataka Industrial Areas Development Board. Among PPP projects, Kerala had announced setting up of a park in Thiruvananthapuram in 2019, but little work has taken place.

Maruti...

He added that for Hyundai, focusing on the domestic market is crucial as it cannot afford to cede market share. Hyundai posted its highest-ever sales in the domestic market in 2022, selling 552,500 units, up 9 per cent from 505,033 units in 2021. It has an installed capacity of roughly 750,000 units per year.

After the semiconductor chip shortage issue tapered off, carmakers briskly ramped up production. From mid-2022, capacity utilisation shot up for most players — MSIL nearly used 95 per cent of its capacity in specific months.

It has an installed capacity of 2.25 million units per annum,

Manesar, and Gujarat plants combined. The firm has commenced work at its new facility in Haryana's Kharkhoda. The plant is expected to be operational by 2025 with an installed production capacity of 250,000 units in the first phase.

One major drawback for the Indian export market in recent years was the withdrawal of players like Ford and General Motors. While upbeat about the domestic market that is expected to grow 5-6 per cent in 2023, experts indicate that to sustain this domestic growth, Indian manufacturers will have to compromise on exports.

M&M, too, saw a 12.2 per cent jump in exports for 2022, including exports from its farm equipment sector. According to Siam data, its PV exports saw marginal dip, from 6,376 units in April-November 2021 to 5,444 units during April-November 2022.

PSUs...

Notably, the government has sought the nod of the Securities and Exchange Board of India (Sebi) to reclassify the residual stake in IDBI Bank as "public" shareholding after the stake sale occurs. This is because the Centre is relinquishing management control and is acting as an ordinary shareholder as to comply with corporate governance norms. The government and Sebi both are working together to facilitate the strategic sale and remove regulatory ambiguity so that it should not act as hindrance in the process," another official said.

The mandatory minimum public shareholding was raised to 25 per cent from 10 per cent in FY10 with a carve-out provided for PSUs from the norm, which was amended in 2014 to bring them on a par with private listed entities.

Listed PSUs were initially given until 2017 to comply with the norms, a deadline which was later repeatedly extended till 2021. There is no fresh deadline for complying with the norms for PSUs.

