

Auto ancillary firms aim US push with Trump's policies

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Mumbai, January 6

INDIAN AUTOMOTIVE PARTS manufacturers are aiming to boost their share of exports to the US, driven by expectations that president-elect Donald Trump will fulfil his campaign promises upon taking office later this month.

During his presidential campaign, Trump promised significant tariff increases on goods imported from China, including imposing tariffs of up to 60% on all Chinese products. China, one of the largest suppliers of automotive goods to the US, primarily routes these products through Mexico.

Indian auto parts manufacturers are engaging with both tier-I suppliers and vehicle makers in the US to capitalise on the growing market opportunities there. While some are focusing on increasing supplies from their factories in Mexico, others are considering acquisitions in financially distressed European countries.

"A lot of the fallout of the tariff war with China will be

TRUMP TAILWIND

■ A number of Indian companies such as JK Tyre, Motherson, Sona Comstar, Uno Minda and RSB Group have a presence in Mexico

■ Companies including Bharat Forge, Anand Group and Motherson have plants in the US

SUNJAY KAPUR,
CHAIRMAN,
SONA COMSTAR

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determined by the customers (of the parts suppliers). The customer may force the component maker to set up capacities in the US or in Mexico,"

said a senior executive of one of India's largest auto component-making firms.

The US is India's largest export market, accounting for 33% of its total exports. During H1FY25, India exported \$3.67 billion worth of automotive components to the US, a growth of 9% year-on-year.

"The China+1 or India+1 strategy is a definite advantage for the Indian manufacturing industry. We have already seen some benefits of the supply chain moving to India and I hope that Indian companies can leverage this opportunity and increase the manufacturing footprint in India," said Sunjay Kapur, chairman, Sona Comstar in a reply to *EE*.

Vinnie Mehta, director general, ACMA (Automotive Component Manufacturers Association of India) said: "From the Indian auto components perspective the US is a very big market and on an annual basis we export \$6-7 billion to that country, whereas the US imports over \$300 billion worth of auto components annually and therefore India's share is just about 2%."