

US tariffs unlikely to hit automotive parts industry until FY27: ACMA

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New Delhi

Despite immediate pressure from US tariffs, the auto parts industry should see long-term stability beginning 2027, a top official at the Automotive Component Manufacturers Association of India (ACMA) said on Wednesday.

"So far, the impact has not been seen. But the true effect

businessline.

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of this would come in the second half of the year in mid-August... Our view is that ongoing programmes (new investment) may last a little longer because original equipment manufacturers (OEMs) and companies need to validate suppliers and supply chain. It takes time for them to switch sources to alternatives. New programmes from some companies have certainly slowed down at this point in time. So, the impact may not be in 2026, it could be in 2027 (financial year)," Vikrampati Singhania, President, ACMA, told *businessline*.

Speaking on the sidelines of the half yearly (H1 FY26) review of the components industry, he said that some companies already have production bases in eastern Europe or Mexico and that



will continue to work well. Some Indian auto component industries are exploring this idea of setting up alternate bases, he added.

According to ACMA, in H1 FY26 (April-September 2025), the exports to the US (North America market) has declined marginally year-on-year (y-o-y) to \$3.64 billion as compared with \$3.67 bil-

lion in H1 FY25. However, imports from the US has increased marginally y-o-y to \$0.92 billion during the period as compared with \$0.79 billion in H1 FY25.

RETAIL SENTIMENT

Meanwhile, on the overall performance in H1 FY26, Singhania said while demand conditions in the first half were driven largely by underlying domestic fundamentals, the second half is expected to benefit from improving retail sentiment, supported by recent policy measures, seasonal demand and continued infrastructure-led activity. ACMA's latest report stated the component industry grew by 6.8 per cent y-o-y to ₹3.56 lakh crore (\$41.2 billion) in H1 FY26, as compared with ₹3.33 lakh crore a year ago.