

China remains the largest source for automobile parts: ACMA

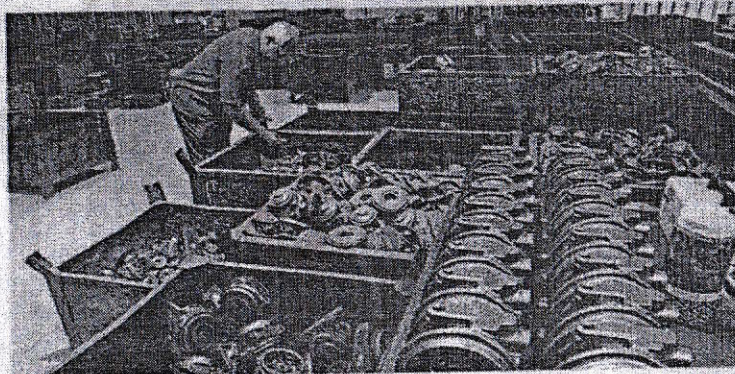
Overall industry turnover in FY22 grew 23% to ₹4.20-lakh crore

OUR BUREAU

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China remains the biggest source of auto components import, accounting for 30 per cent during FY22. However, in the overall industry dynamics, exports from India have grown in value terms, compared with imports last year, the Automotive Component Manufacturers Association of India (ACMA) said on Monday in its annual report.

Exports of auto components witnessed a 43 per cent growth to ₹1.41-lakh crore (\$19.0 billion) in 2021-22 as against ₹0.98-lakh crore (\$13.3 billion) in 2020-21. Traction in the domestic market also reflected on the imports of component into India. Component imports grew by 33 per cent in 2021-22 to ₹1.36-lakh crore



Export of auto components grew 43% y-o-y in 2021-22

(\$18.3 billion) from ₹1.02-lakh crore (\$13.8 billion) in 2020-21, it said. Overall, the turnover of the automotive component industry stood at ₹4.20-lakh crore (\$56.5 billion) in FY22, registering a 23 per cent y-o-y growth, the industry body said.

Sales to gain traction

"Capex cycle has grown and therefore, there is a growth in the market as well as the after-market. We are at good capacity utilisation and going towards pre-pandemic levels ... vehicle sales now seem to have reached the pre-pandemic

levels. Of late, there has been some moderation in the supply-side issues on availability of semiconductors, containers and input costs," Sunjay Kapur, President, ACMA and Chairman, Sona Comstar, told reporters.

With a slew of new launches, vehicle sales are expected to gain traction during the festival season. Further, an increased focus by the auto industry on deep localisation and announcements of PII schemes on advanced chemistry cell batteries and auto and auto components will facilit-

ate the creation of a state-of-the-art automotive value chain and aid in developing India into an attractive alternative source of high-end auto components, he said.

"Poor off-take of two-wheelers, increase in cost of insurance, high inflation, excessive fuel cost and extreme logistics costs are some of the issues of concern and do need urgent government attention," Kapur said.

After-market segment

"Despite supply-side issues, the industry demonstrated a remarkable performance in FY22. Significant growth was witnessed across all segments including supply to manufacturers, exports, as also the after-market," Vinnie Mehta, Director General, ACMA said. The after-market, estimated at ₹74,203 crore, witnessed a steady growth of 15 per cent. Component sales to manufacturers in the domestic market grew 22 per cent to ₹3.41-lakh crore, he added.