

'Auto-parts aftermarket presents over \$35-b export opportunity'

THE ROAD AHEAD. ACMA report says the Indian market will grow to \$14 billion by 2028

Our Bureau
New Delhi

The Indian automotive component companies have a huge potential in the exports markets and even if they focus on just 10 major export markets, they can do over \$35 billion worth of export opportunities.

Five of these markets - Indonesia, Latin America, Poland, Brazil, Columbia and Bangladesh - are matured aftermarket with a substantial number of ageing vehicles while another five markets - North Africa, South Africa, East Africa, West Africa and the United Arab Emirates (UAE) - together provide a robust opportunity for component exporters according to a report released by Automotive Component Manufacturers Association of India (ACMA) in partnership with Ernst & Young on Monday.

The report titled Global Automotive Aftermarket Research focused on seven product categories namely engine parts, suspension & braking parts, transmission parts, braking parts, rubber components, cooling systems and filters.

The report estimated the size of the Indian automotive aftermarket at \$10 billion in 2023; it is expected to grow 1.4 times to \$14 billion by 2028. Tyres and consumables such as batteries, coolants and lubricants are, however, not covered in the study.

BUILDING PARTNERSHIPS

"We as a community need to work on quality, cost, scale and digitisation. We are all working on these four areas...the Indian components suppliers need to focus on building partnerships with international buying groups to gain market access, invest in marketing and branding, increase digital presence, and build collaboration amongst the industry players

to provide their joint offerings to tap the global market opportunities," Shradha Suri Marwah, President ACMA, Chairperson and Managing Director, Subros, told reporters.

The growth of the aftermarket in India is fuelled by a steady increase in the vehicle parc (registered vehicles in the country), which currently stands at 340 million and is expected to

grow at a CAGR of over eight per cent for the next five years, the report said.

The two-wheelers and passenger vehicles parcs are projected to show robust growth from 257 to 365 million units and from around 47 to over 72 million units respectively by 2028, it said.

Pre-owned cars sales are projected to grow at a CAGR of

around 17.5 per cent until FY28. The commercial vehicle parc is expected to grow from 13 million units to 19 million units in 2028.

The tractor segment currently contributes close to \$1 billion to the Indian aftermarket and the parc is expected to grow from 14 million units to over 19 million units during the 2023-28, the report said.