

INDIA MAY LEAD GLOBAL GROWTH IN LIGHT-VEHICLE PRODUCTION

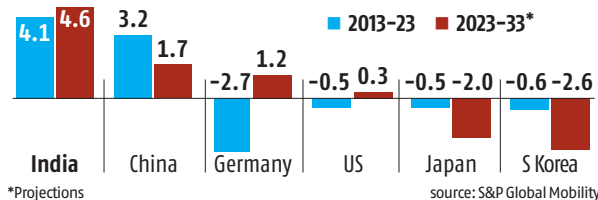
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India is projected to lead global growth in light-vehicle production with a compound annual growth rate (CAGR) of 4.6 per cent from 2023 to 2033, according to estimates by S&P Global Mobility. This marks an increase from the previous decade's growth rate of 4.1 per cent, which was also the highest among major countries. India's performance over the next 10 years is expected to outdo its previous record and outperform other key markets. In contrast, Mainland China is expected to see a CAGR of 1.7 per cent from 2023 to 2033,

BUCKING THE TREND

Light-vehicle production trend (CAGR in %)



while the US is expected to see only 0.3 per cent growth. Japan is projected to degrow by 2 per cent, and South Korea is also expected to shrink by 2.6 per cent. In Europe, Germany will continue to grow, albeit at a slower CAGR of 1.1 per cent.

As of 2023, India is the

fourth-largest light vehicle producer with 5.4 million vehicles, upstaging Germany (4.3 million) and South Korea (4.2 million). The leading producers are Mainland China (28.8 million), the US (10.3 million), and Japan (8.6 million). In terms of sales, India ranks third, ahead

of Japan.

Gaurav Vangaal, associate director of light vehicle production forecasting — Indian subcontinent, S&P Global, explains the growing global importance of India as a market: “Nearly all global car-makers and supply chains are investing in India for the future. We are the third-largest domestic market for cars, with a low penetration rate of 38 vehicles per 1,000 people. We expect capacity to increase from 6.8 million in 2023 to 10 million. India is also seen as an alternative global supply chain and a key export hub. Besides, we are a stable country.”