



INDIAN AUTOMOBILE INDUSTRY



TATA MOTORS | <http://www.tatamotors.com>

SUMO
Victa

AUTOMOBILE INDUSTRY

Where it has been



Where its going

INDIAN AUTOMOTIVE INDUSTRY

Pre 1983	1983-1993	1993-2007
<ul style="list-style-type: none"> • Closed market • Growth of market limited by supply • Outdated models <p>Players</p> <ul style="list-style-type: none"> • Hindustan Motors • Premier • Telco • Ashok Leyland • Mahindra & Mahindra 	<ul style="list-style-type: none"> • Suzuki, Japan and GOI joint venture to form Maruti Udyog • Joint ventures with companies in commercial vehicles and components <p>Players</p> <ul style="list-style-type: none"> • Maruti Udyog • Hindustan Motors • Premier • Telco • Ashok Leyland • Mahindra & Mahindra 	<ul style="list-style-type: none"> • Delicensing of sector in 1993 • Global major OEMs start assembly in India (Toyota, GM, Ford, Honda, Hyundai) • Imports allowed from April 2001; alignment of duty on components and parts to ASEAN levels • Implementation of VAT

AUTOMOTIVE COMPANIES IN INDIA

Major Indian Companies



ASHOK LEYLAND



Major Multi-national companies



RENAULT



Audi



HONDA
The Power of Dreams



NISSAN

NODAL AGENCIES

ARAI

- ❖ Provide research & development, testing, certification and calibration support for developing safe, reliable and eco-friendly vehicles / components

SIAM

- ❖ Apex Industry body representing 44 leading vehicle and vehicular engine manufacturers in India.



India's vehicle market

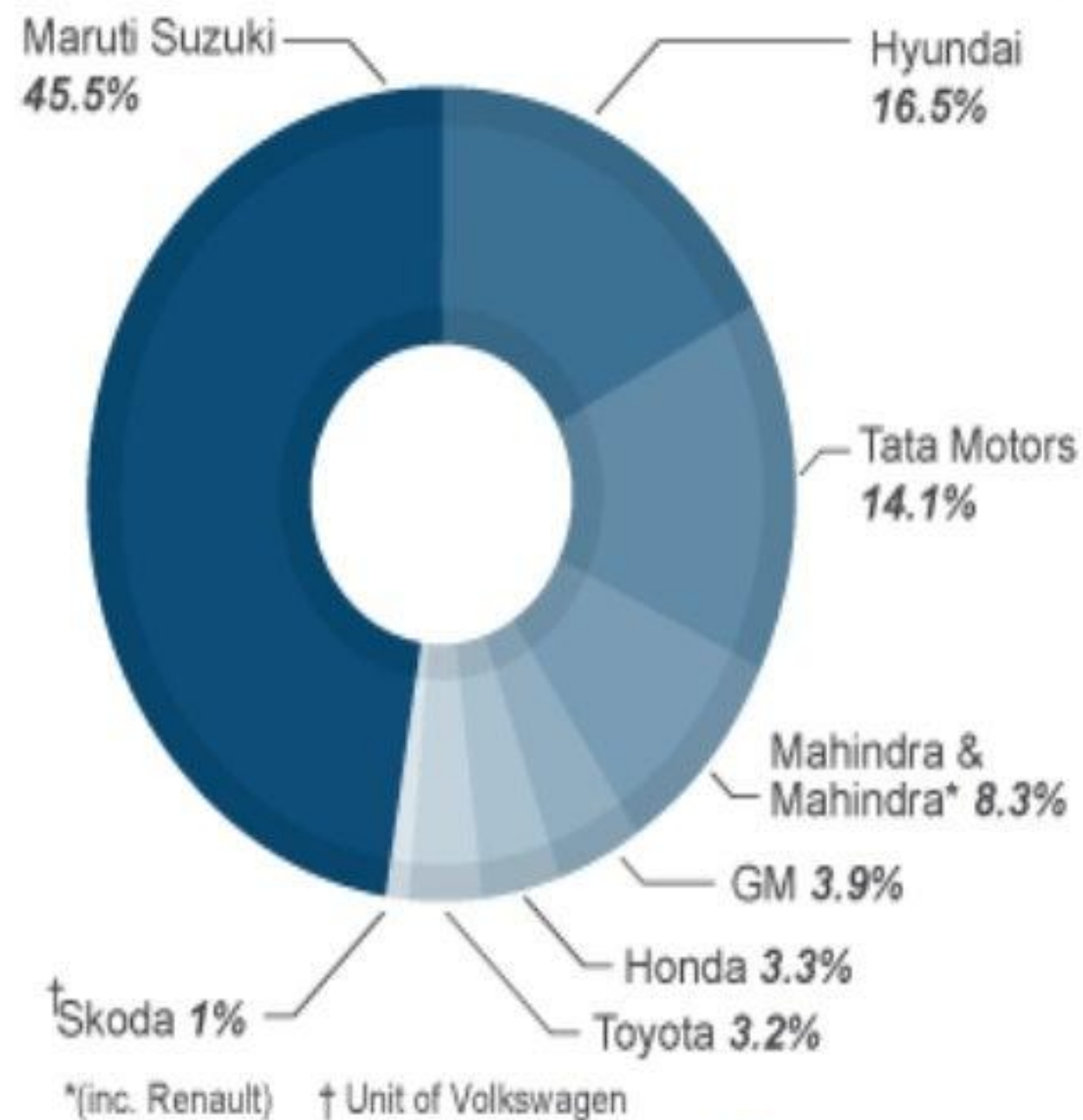
Car sales



Sources: SIAM data

Market share

Passenger vehicle makers in India

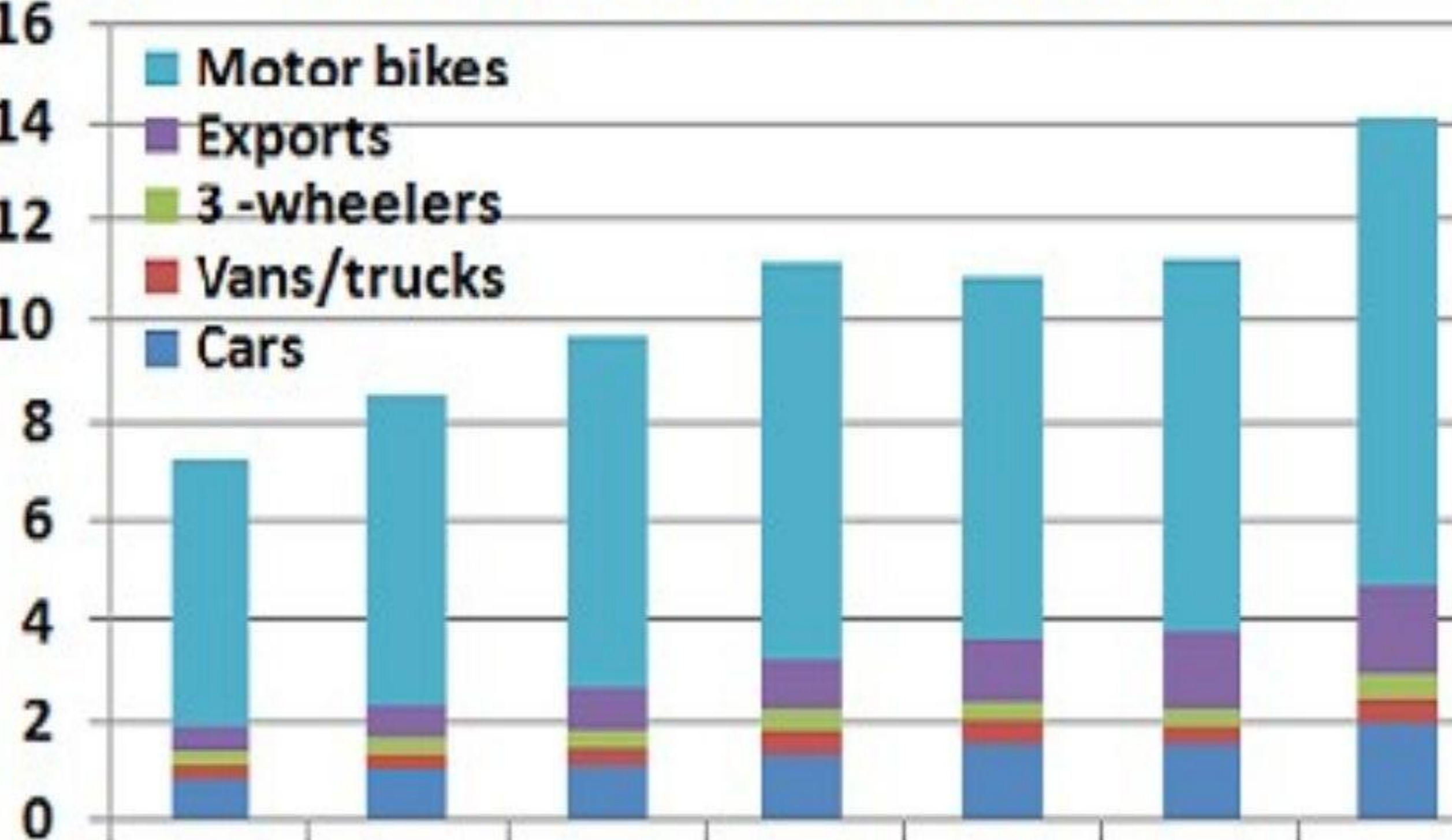


 **REUTERS**

MILLION

INDIA MOTOR INDUSTRY SALES

- Motor bikes
- Exports
- 3-wheelers
- Vans/trucks
- Cars



2003-04 2004-05 2005-06 2006-07 2007-08 2008-09 2009-10

Future Prospects Of Indian Automobile Industry



SKODA AUTO

- SKODA Auto is planning to make India its regional manufacturing hub.
- Company plans to start manufacturing in India from 2010 with a target of 50000 cars a year.

TATA MOTORS

- TATA motors plan to manufacture 80000 units of its NANO car in Pantnagar plant in UTTARAKHAND.
- The Mother facility in SANAND, Gujarat may be fully functional by 2010-11 with a capacity of 1.5 lakhs/year

RENAULT

- RENAULT has entered into partnership with NISSAN Motors to setup a manufacturing unit near Chennai.
- Project costs around \$ 901.35 millions and having Capacity of 4lakh cars /year

HONDA MOTORS

- Investing US \$ 250 million in a new plant in Rajasthan with capacity of 60,000 car per year



TOYOTA -KIRLOSKAR

- Toyota- Kirloskar motors planning to launch its own small car in India by 2011

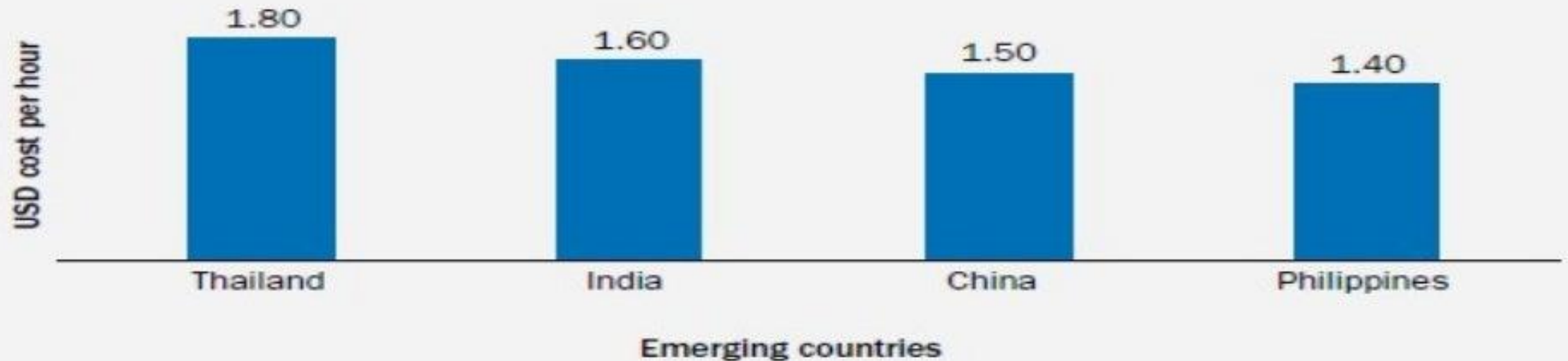
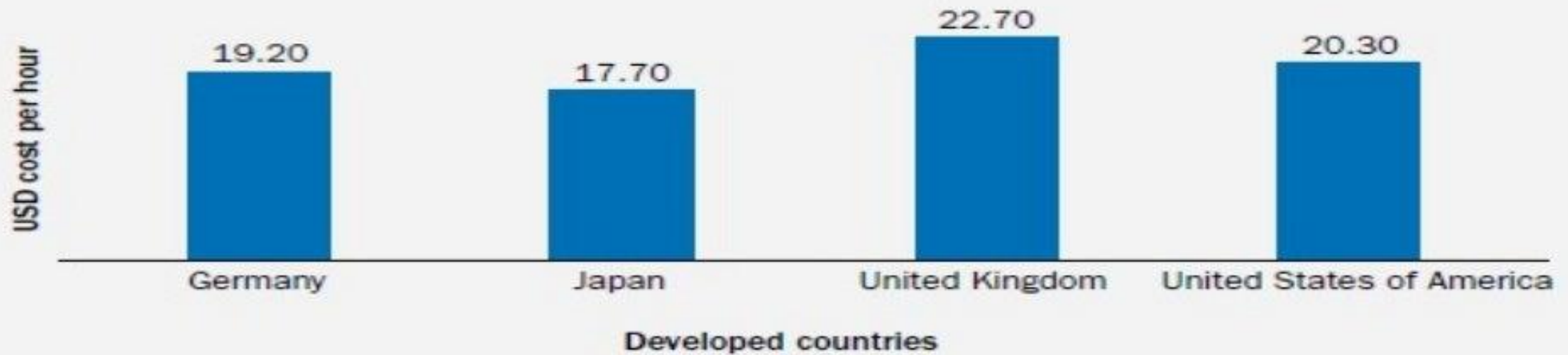
GENERAL MOTORS

- To manufacture small cars at its Talegaon, Maharashtra plant with 80% local input.

WHY INDIA?

COST OF LABOUR – A COMPARATIVE ANALYSIS

Cost of labour in USD per hour in developed and emerging economies is shown

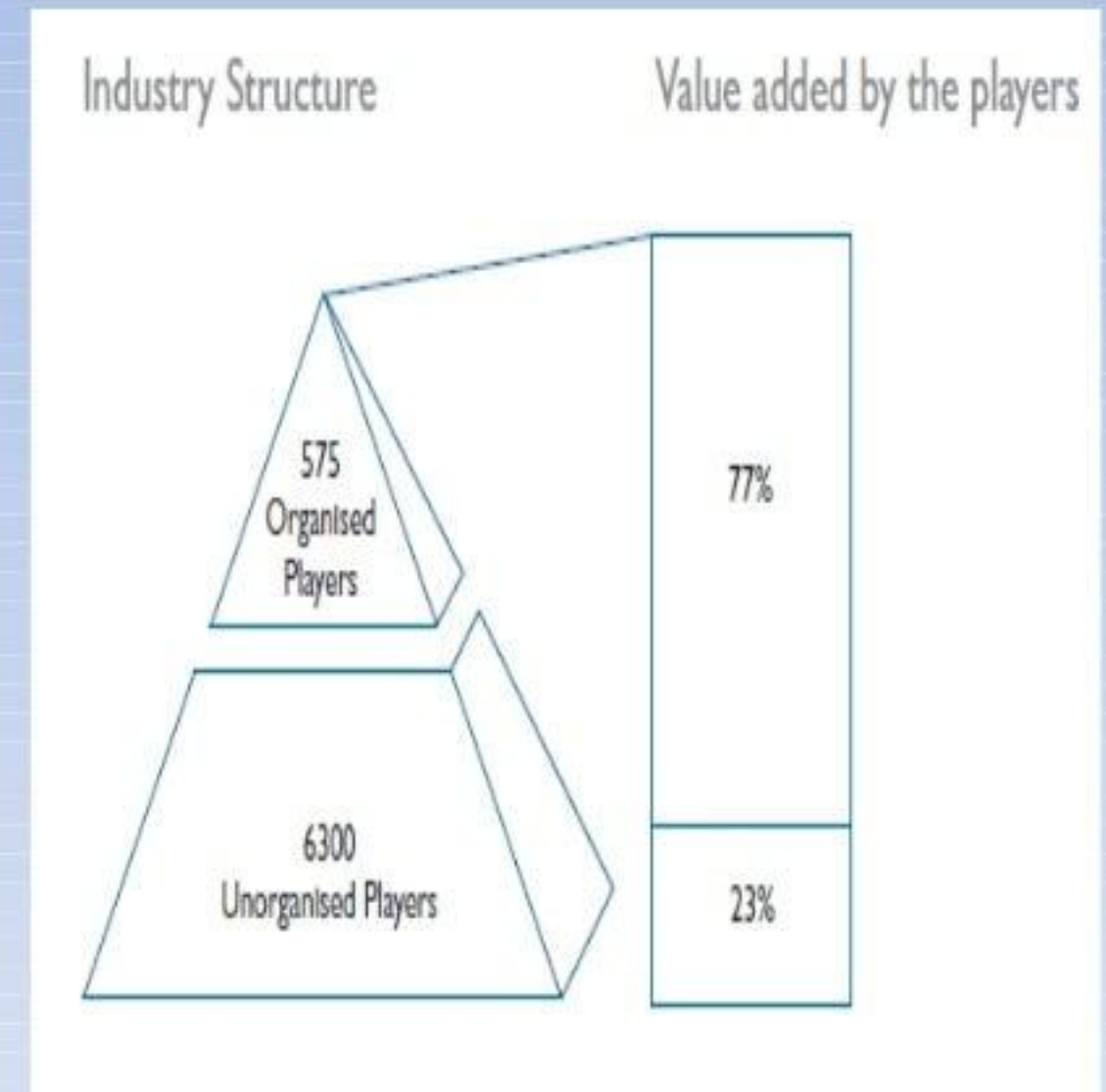


GROWTH DRIVERS OF INDIAN AUTO MARKET 2010

- Rising industrial and agricultural output
- Favorable demographic distribution with rising working population and middle class
- Urbanization
- Greater affordability of vehicles
- Easy finance schemes

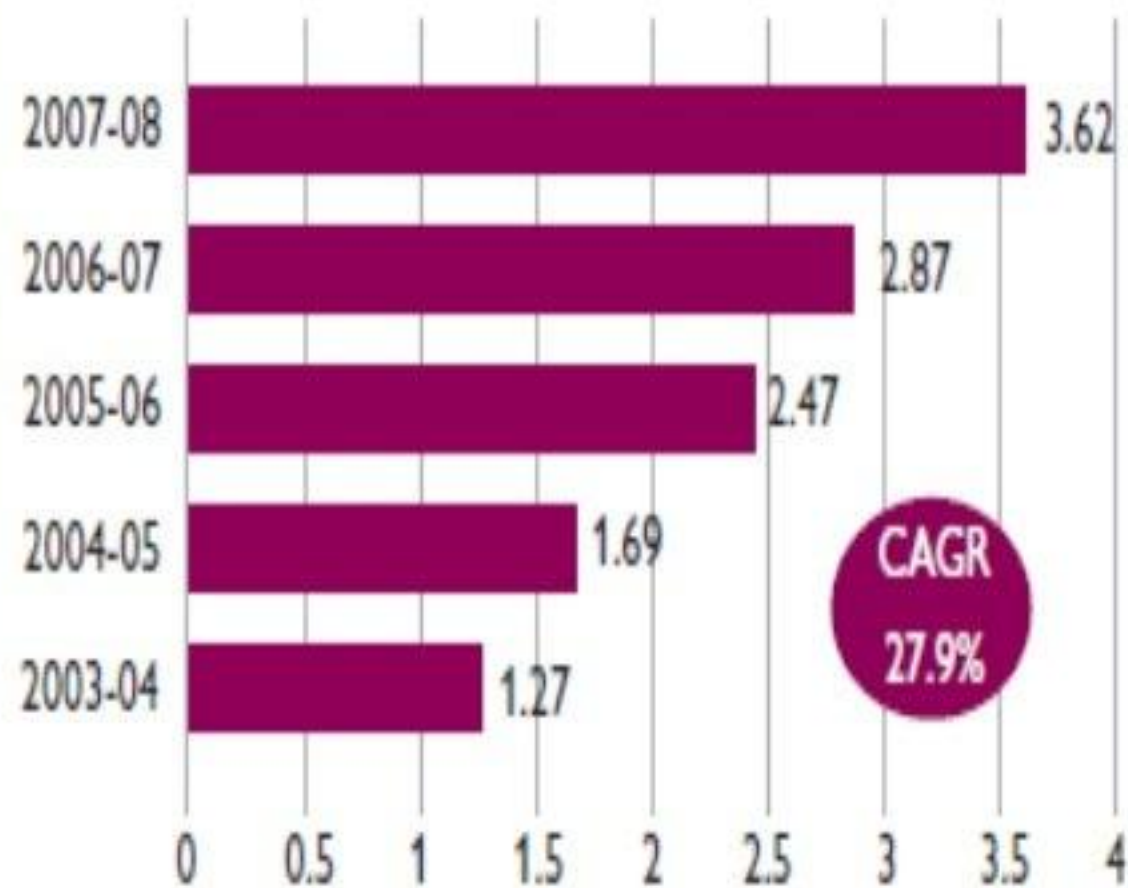
The Indian Auto Components Market

- Original Equipment Manufacturers (OEMs)
- Replacement Parts Production and Distribution : e.g. Air filters, oil filters and replacement lights
- Rubber Fabrication : tyres, hoses, belts etc.
- Estimated component market size is **US\$ 6.7 bn**

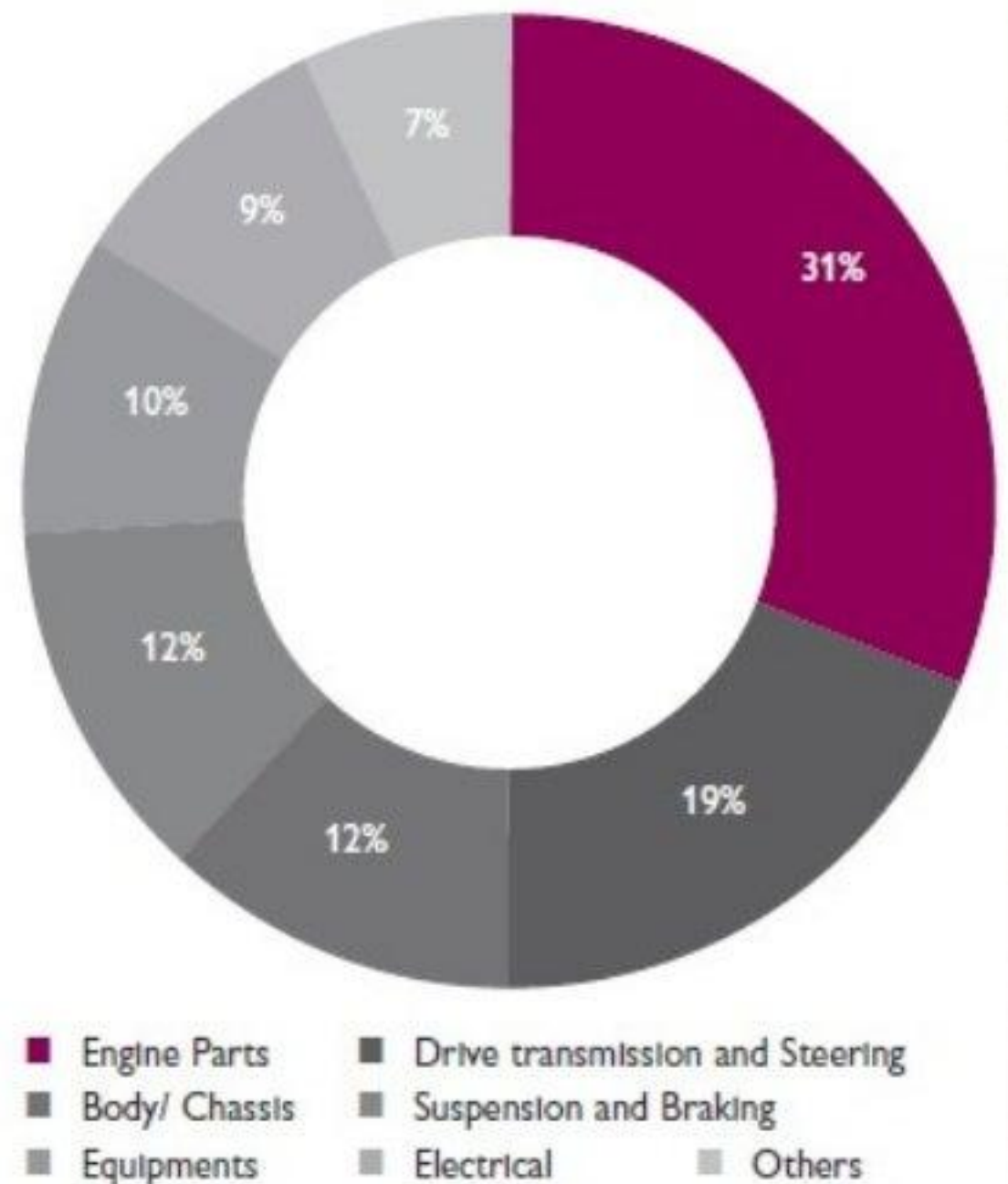


The Indian Auto Components Market

Indian auto component industry
turnover US\$ billion

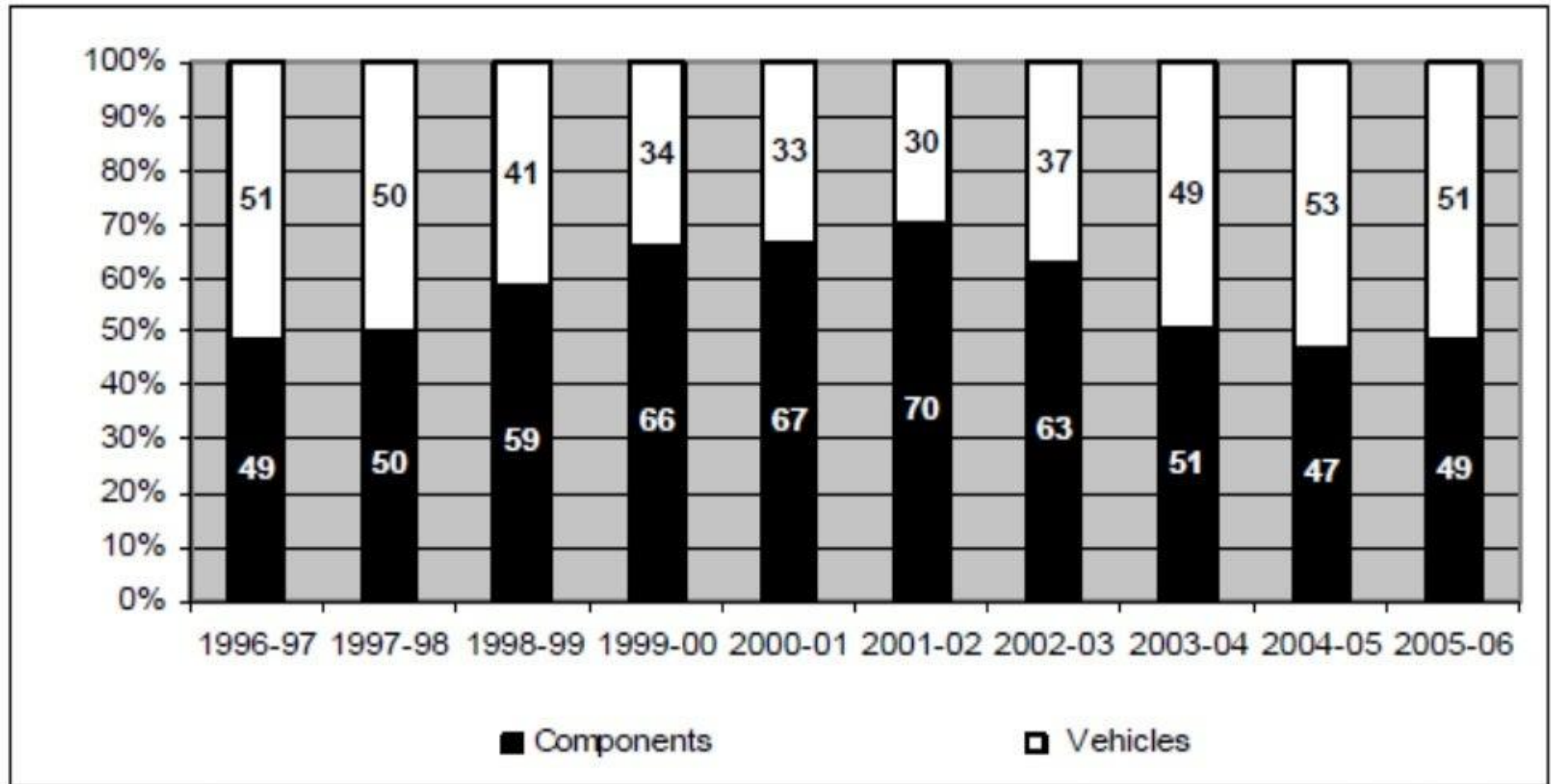


Breakup of components industry by type of component



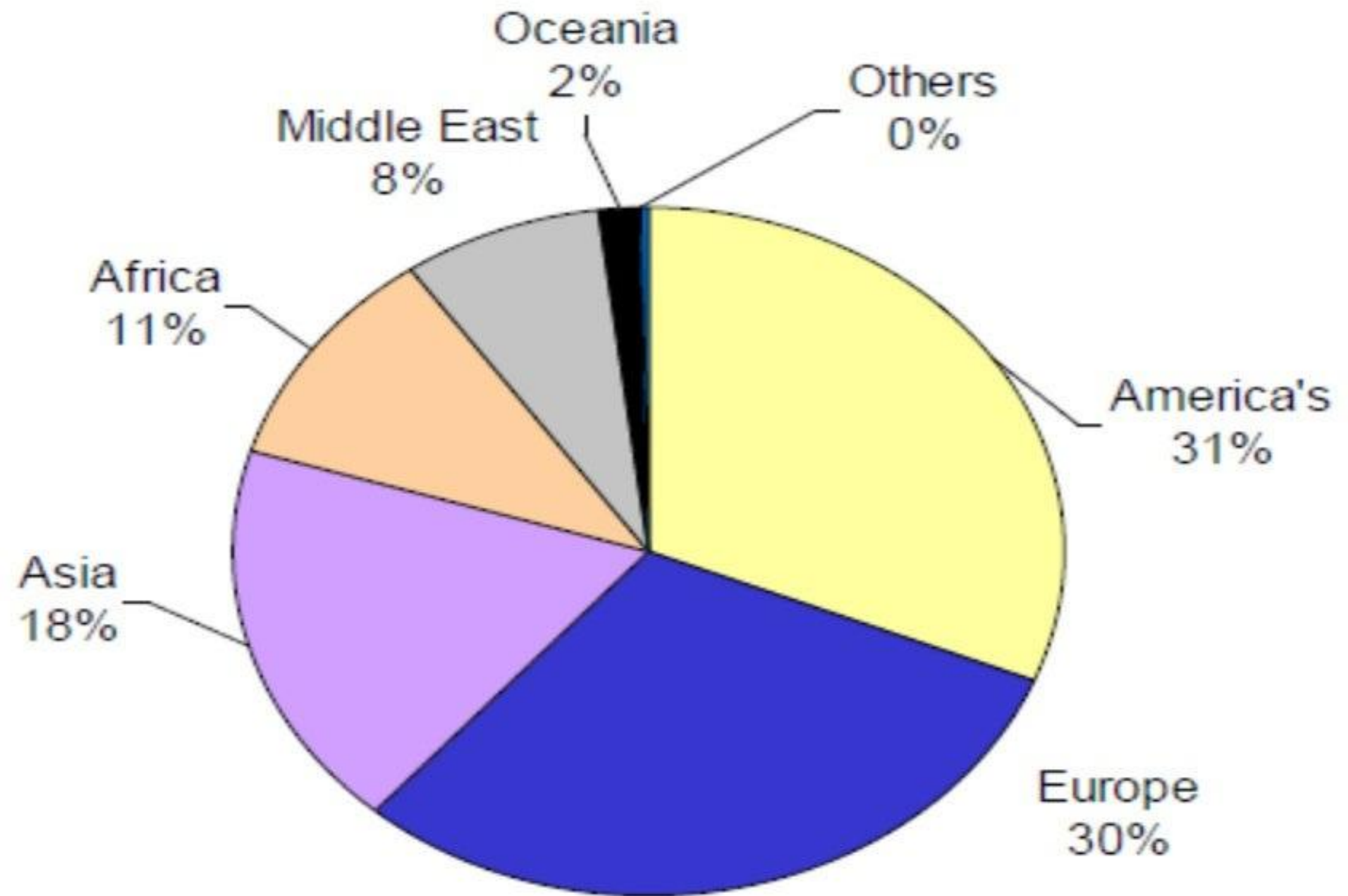
Composition Of Indian Auto Exports

(in %, based on exports at constant 1993-94 prices, Rs. lakh)



Source: Calculations from Directorate General of Foreign Trade Website

Main Export Destinations for Auto Components



PEST ANALYSIS OF INDIAN AUTOMOBILE INDUSTRY



POLITICAL

- Indian govt. launched AUTO POLICY for its Self Sustained growth.
- Allowed Foreign Equity Investment up to 100%
- Formulation of FUEL POLICY
- Promotes for Vehicles propelled by AES

ECONOMIC



- Weighted Tax Deductions up to 150% for in house R&D activities.
- Reduced Interest rates for export financing.
- Economy has grown over 8.5% per annum for last 5 years.
- Manufacturing sector has grown 8-10 % for last few years.