

# CASE STUDY

## INDIAN AUTOMOBILE SECTOR

Glimpses through the roads of the fastest growing economy

OVERVIEW

ANALYSIS

# DOWN THE LANE



First time a vehicle came on the Indian road - 1897

Hindustan Motors established first Indian Manufacturing Plant - 1948



Maruti Suzuki launches Maruti 800 - 1983

Economic liberalization opens doors for foreign manufacturers - 1991

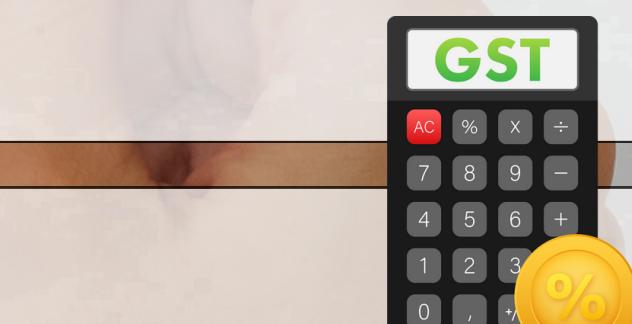
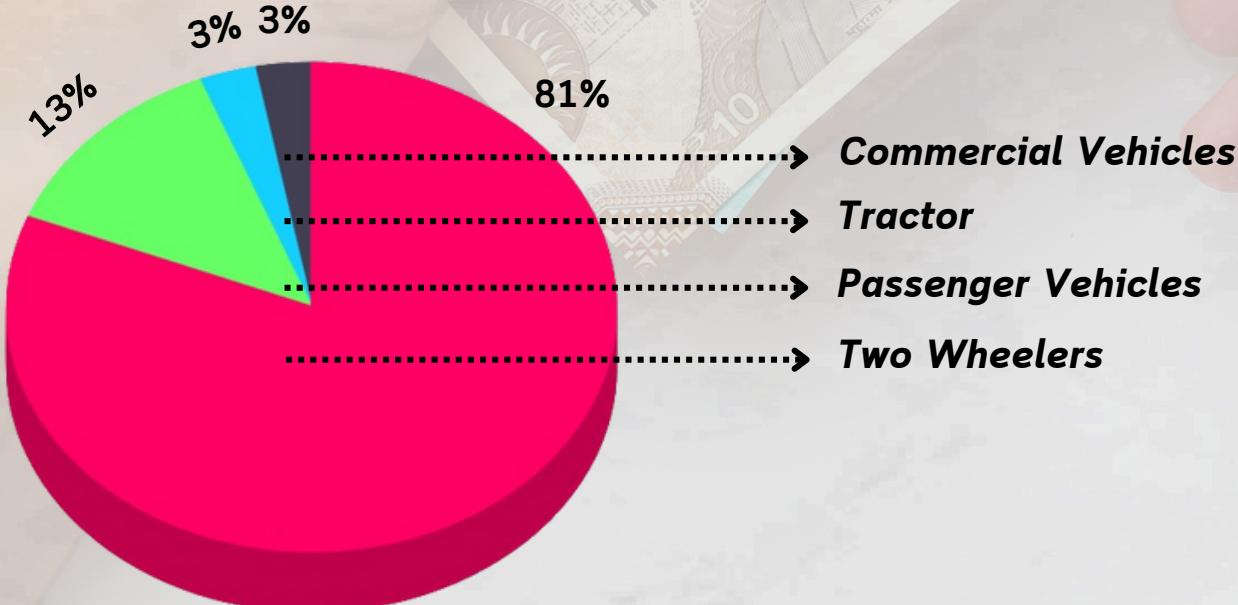


Tata launched world's cheapest car, Nano - 2008

# INDIAN AUTOMOBILE MARKET

The automobile industry of India is in the top 5 markets in the world. One of the driving forces of the Indian economy, it contributes 49% to the mfg. GDP and 7.5% to overall GDP. The sector's value chain employs about 3.2 crore people.

- In April 2024, the total production of passenger vehicles, three-wheelers, two-wheelers, and quadricycles was 23,58,041 units.
- In FY23, total automobile exports from India stood at 47,61,487. Indian automobile exports of two-wheelers stood at 36,52,122.
- India is one of the top and fastest growing market for the Luxury Car manufacturers as well.



28%

Composition of Indian :  
Automobile Market

# THE INDIAN AUTO GIANTS

## INDIAN CAR BRANDS MARKET SHARE- 2019 vs 2024

	2019 M. Share	2024 M. Share	Change
 Maruti Suzuki	<b>50.09%</b>	<b>40.41%</b>	<b>-9.68%</b>
 Hyundai	<b>18.96%</b>	<b>14.76%</b>	<b>-4.2%</b>
 Tata Motors	<b>6.02%</b>	<b>12.82%</b>	<b>+6.8%</b>
 Mahindra	<b>8.01%</b>	<b>11.79%</b>	<b>+3.78%</b>
 Toyota	<b>4.78%</b>	<b>7.59%</b>	<b>+2.81%</b>
 Kia	---	<b>6.28%</b>	<b>+6.28%</b>
 Honda	<b>4.65%</b>	<b>1.42%</b>	<b>-3.23%</b>

# AUTOMOBILES & PEOPLE

GST



## 1. Rural India -

- Prefers rugged and affordable vehicles
- High demand for two-wheelers and small cars
- Maruti Suzuki, Hyundai, and Mahindra are popular choices

## 2. Urban Middle Class

- Seeks comfort, fuel efficiency, and style
- Sedans and hatchbacks are popular segments
- Brands like Honda, Toyota, and Ford are also preferred

## 3. Urban Elite

- Demands luxury, performance, and advanced features
- High-end sedans, SUVs, and electric vehicles are popular
- Brands like Mercedes, BMW and Audi are favored

## 4. Indian Modern Generation

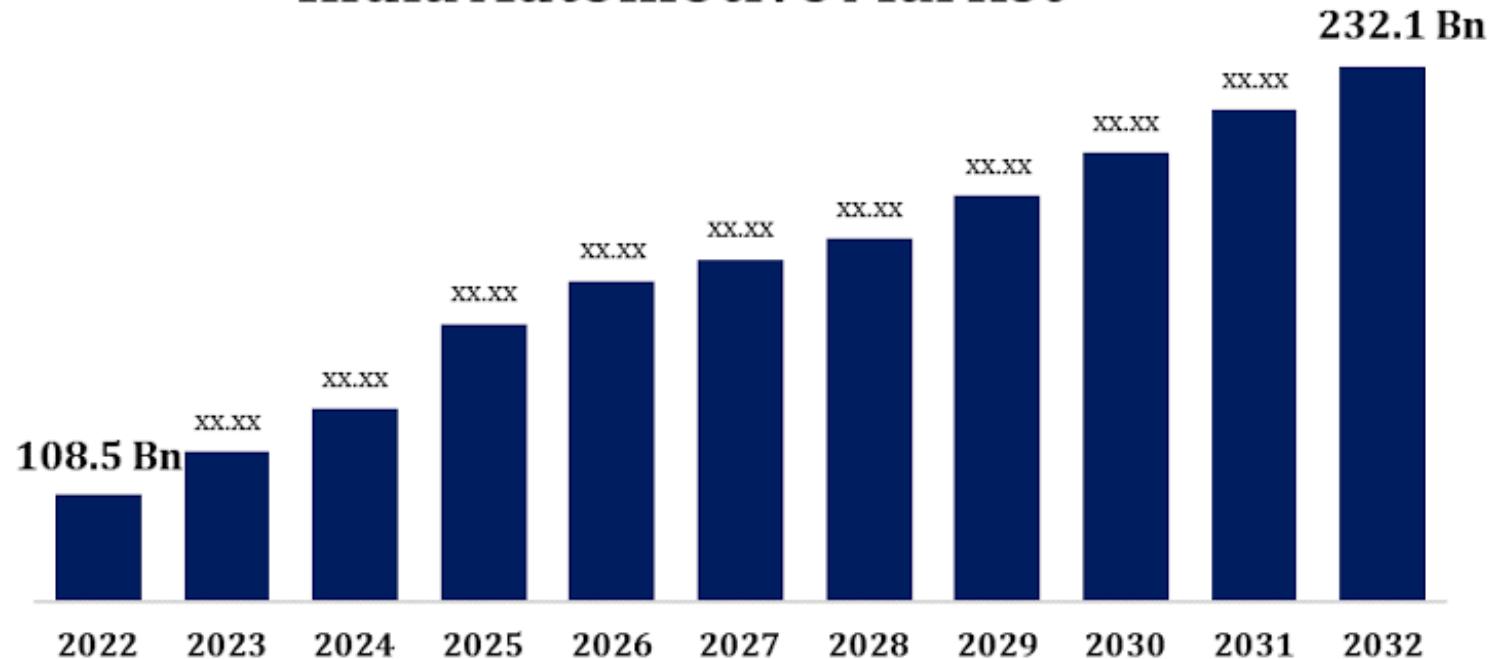
- Prioritizes style, technology, and social status
- SUVs and premium hatchbacks are in demand
- Brands like Kia & MG are gaining popularity



# THE FUTURE

- 30% of new car sales to be electric by 2030, driven by government's target of 30% EV adoption. (Source: NITI Aayog)
- Ride-hailing market to grow to \$15 billion by 2025, with 50 million daily rides. (Source: RedSeer Consulting)
- 100% of new cars to be connected by 2025, with 50 million connected cars on Indian roads (Source: KPMG)
- India's auto exports to grow to \$20 billion by 2025, with 15% annual growth rate. (Source: SIAM)

## India Automotive Market



# THE DIFFICULT ROAD

## 1. Supply chain disruptions

The Covid-19 pandemic has led to significant disruptions in the supply chain of the automobile industry.

## 2. Infrastructure challenges

Development of electric vehicle infrastructure, such as charging stations, is still in its early stages in India. This can be a challenge for companies that are looking to introduce electric vehicles to the market

## 3. Economic slowdown

Indian economy has been facing a slowdown in recently, which has impacted consumer spending on automobiles.

## 4. Regulatory challenges

Compliance with the existing regulations can be challenging for manufacturers, particularly smaller companies that may lack the resources to invest in research and development.



# LET'S CONCLUDE

- **Key Takeaways**

1. Indian Automobile Sector seeks innovation with the growing demand.
2. Sustainability is crucial alongside consumers' interest.
3. Government initiatives are to be the X-factor in growth of the sector.

- **Conclusion**

1. India's auto sector is poised for growth. Driven by demand, it seeks innovation, and sustainability.
2. Electrification of the industry is going to play a crucial role in future.
3. India to be a Global Export Hub in future with 10-15% Annual Growth.

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