



AUTOMOBILES & AUTO COMPONENTS

Driving New India's growth

SECTOR HIGHLIGHTS

3rd largest automotive market in the world (2023)

Attracted
USD 37.2 Bn
Cumulative FDI
(April 2000 - September 2024)

6% of the country's GDP (FY 23)
35% of the country's manufacturing GDP

37 Mn+ employment generated (direct and indirect)

100% FDI allowed under the automatic route

USD 151 Bn
industry

Automobile vehicles sold in FY24:

 Two wheelers:
1.7 Mn

 Three wheelers:
600,000

 Passenger Vehicles:
4.2 Mn

 Commercial Vehicles:
900,000 +

 Electric Vehicles:
1.6 Mn

GROWTH DRIVERS

1. Supportive Government Policies:

PM E-DRIVE (USD 1.3 Bn), Scheme to promote manufacturing of Electric Vehicles

2. Export Potential:

Government Grants on exports, Make in India initiative, proximity to the Gulf and ASEAN market (UAE, Malaysia, Indonesia, Sri Lanka, Africa)

3. Rise in Indian Middle Class:

A growing working population and an expanding middle-class have been the key demand drivers for automobiles in India

4. Improved Infrastructure:

India has about 63.73 lakh km of road network, which is the second largest in the world

5. Strengthened R&D Capability:

India jumped 7 positions from 2021 to 39th Rank in the Global Innovation Index 2024



GOVERNMENT INITIATIVES

1 Production-Linked Incentive (PLI) Scheme in the Automobile and Auto Components (2021)

Outlay of USD 3.5 Bn for the automobile sector proposes financial incentives of up to 18% to boost domestic manufacturing of advanced automotive technology products and attract investments in the automotive manufacturing value chain

2 Production Linked Incentive (PLI) Scheme for Advanced Chemistry Cell (ACC) Battery Storage (2021)

Aims at achieving manufacturing capacity of 50 GWh of ACC for enhancing India's manufacturing capabilities with a budgetary outlay of USD 2.5 Bn. This scheme was oversubscribed by 2.6 times (130 gwh)

3 FDI Policy

100% FDI allowed under automatic route

4 FAME Scheme

Promoting & Incentivising E- Vehicles. Subsidy amounting to USD 689 Mn given to electric vehicle manufacturers under FAME-II scheme as on Jan-2024



5

PM E-DRIVE

Aim to boost Electric Vehicle adoption, the Union Cabinet approved the PM E-DRIVE scheme with a USD 1.3 Bn outlay between 2024-2026

6

Scheme to Promote Manufacturing of Electric Passenger Cars in India (SPMEPCI):

The scheme shall help to attract investments from global EV manufacturers and promote India as a manufacturing destination for e-vehicles. There is a minimum investment requirement of USD 500 Mn with no cap on maximum investment

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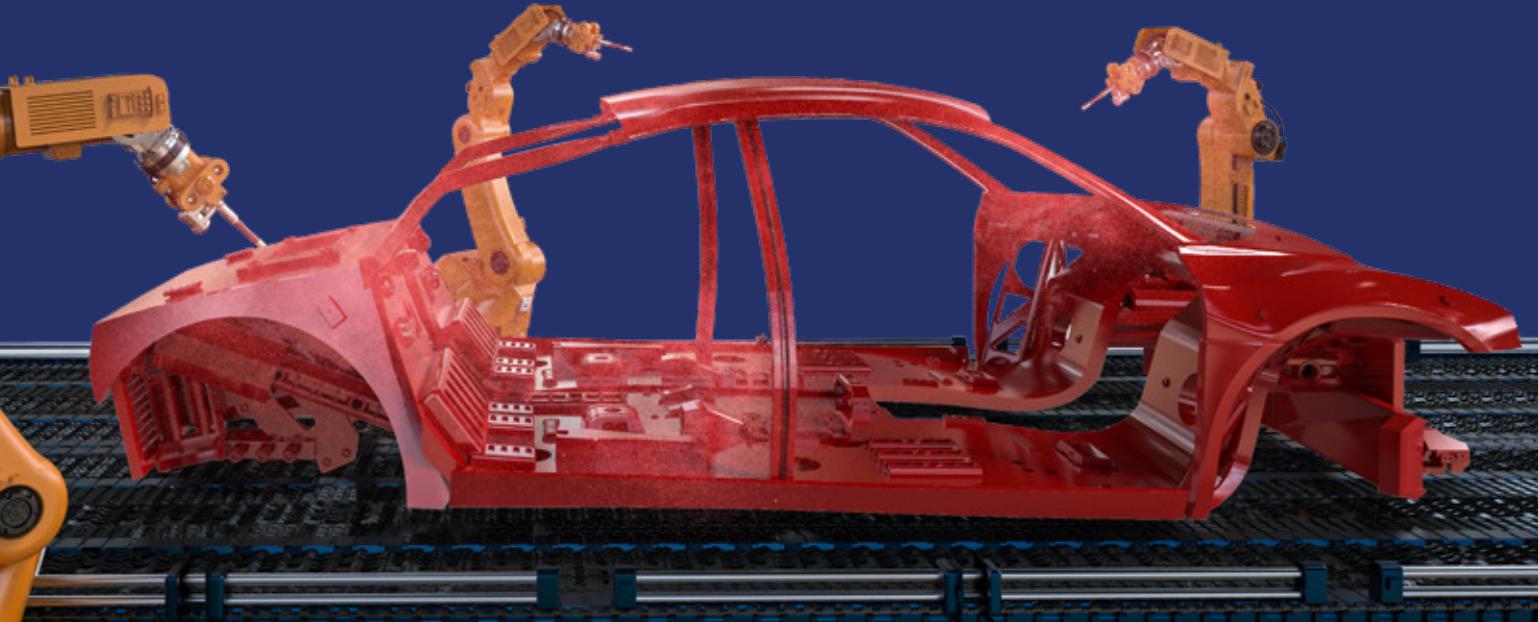
GST

One nation, one tax. To simplify taxation (tax filing) for business operations and logistics

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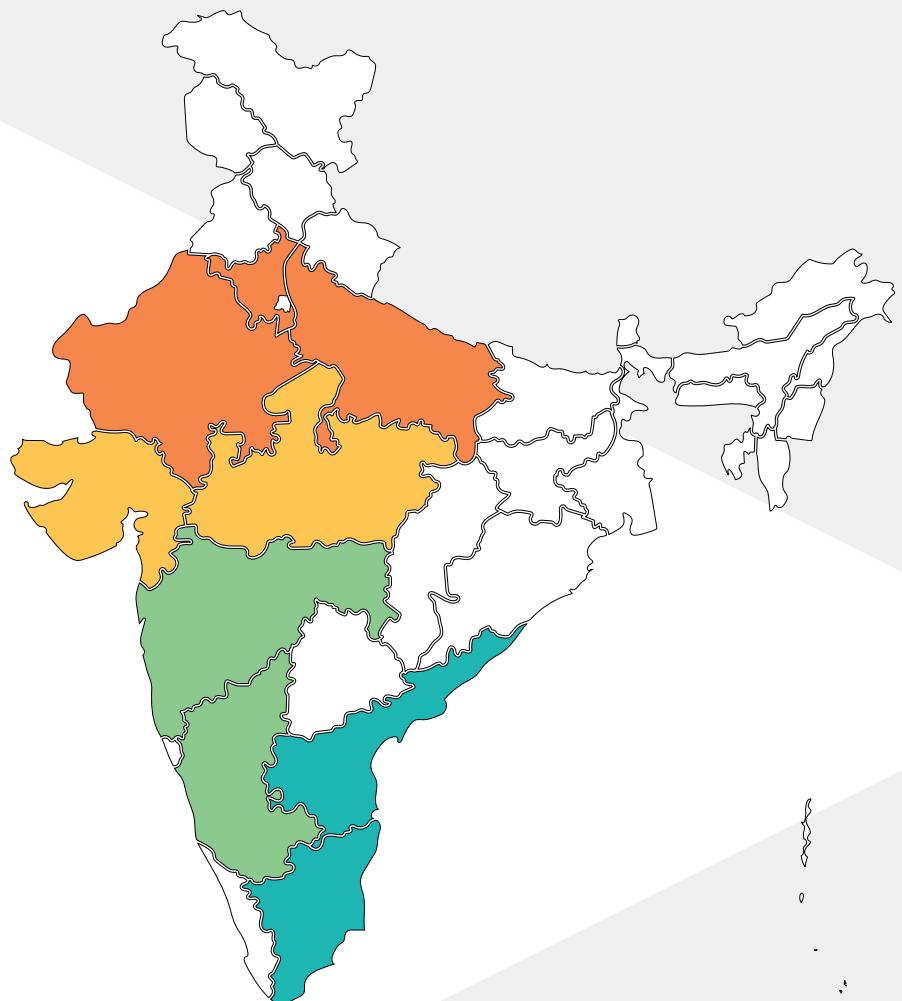
Battery Waste Management Policy

The Battery Waste Management Rule, published in August 2022 is a government programme to help reduce the dependency on new raw materials. The policy is expected to save natural resources, create new business & job opportunities



INDUSTRY CLUSTER/ZONES

Automobile



Automobile Clusters:

Haryana, Rajasthan, Uttar Pradesh



Maharashtra, Karnataka



Gujarat, Madhya Pradesh

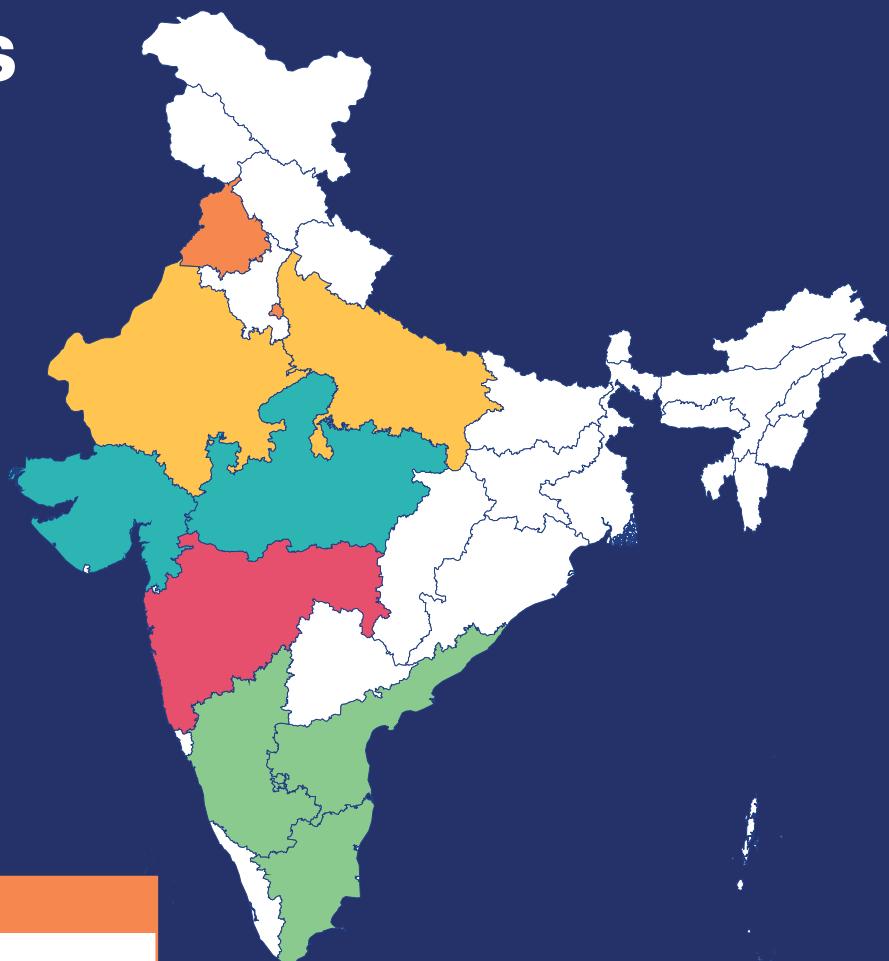


Andhra Pradesh, Tamil Nadu



INDUSTRY CLUSTER/ZONES

Auto Components Sector



Punjab - NCR



Uttar Pradesh, Rajasthan



Gujarat, Madhya Pradesh



Mumbai, Pune



Andhra Pradesh, Chennai, Bengaluru





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