



Confederation of Indian Industry
125 Years - Since 1895

AUSTRALIA ECONOMIC STRATEGY

| AUTOMOTIVE SPARE PARTS



Overview

- The Indian automotive component industry offers high-quality, cost-effective products to the global automotive industry
- The Indian automotive industry has emerged as a global supplier to OEMs such as BMW, Ford, General Motors and Mercedes-Benz
- India's export of automotive components was valued at USD 13.5 billion in 2018, with 40% of India's export basket comprising of engine, transmission and steering parts and the remaining 60% comprising of chassis, bumpers, rubber products, etc.
- India exports to over 160 countries, including USA, Germany, Turkey, UK and Italy
- The Australian automotive components market is a relatively smaller market in the global context. However, Australia has experienced research strength in motion technology
- Australia's shrinking domestic automotive market coupled with a higher exchange rate for the Australian dollar, higher production costs and a global shift in automotive manufacturing to developing nations has led to leading car manufacturers ceasing manufacturing operations in the country.
- Australia, however, has well-established R&D companies that conduct active research in various areas such as zero emissions mobility solutions and product development of automotive spares such as print circuit board, sensors, etc.

India's export of automotive components was valued at USD 13.5 billion in 2018

The Indian automotive industry has emerged as a global supplier to OEMs such as BMW, Ford, General Motors and Mercedes-Benz



Key Opportunities

- Collaborating with Australia in the Automotive Spare Parts sector will enable India to manufacture well-designed components at a low cost to meet demand from Australia as well as from the world.
- The following opportunities have been identified in the Australia Economic Strategy Report:
 - a. Increasing auto-component and spare part exports to Australia
 - b. Increasing collaborations between Indian vehicle brands and niche R&D companies in Australia for product development of components such as sensors, print circuit boards, etc.
 - c. Encouraging tie-ups, knowledge exchange programs and joint ventures between industry associations such as Automotive Component Manufacturers Association (ACMA) and their Australian counterparts