



The Indian Automotive Industry

DIBD – OMII

Own Man In India

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Introduction to the Indian Automotive Industry

- Macro level
- Development
- Main segments
- Investments
- Scandinavian cases in India





Current market situation – (1/2)

- The Indian automotive market is one of the most competitive markets with low costs, which make it an attractive assembly base for foreign automotive manufacturers.
 - In India there is one vehicle for every 100 person in comparison with one vehicle for every 82 person in China.
 - Presently the Indian automotive industry is experiencing a growth rate of 14-17% annually and is expected to double by 2015.
 - Cars is the major segment in the Indian automotive industry with a growth rate of more than 19% annually.
 - The large population growth of more than 15 million a year and the rising living standards are two important indicators that logically lead to an increasing demand for automotives in India.
 - The Indian car industry is witnessing a shift in demand going from two wheelers to cars due to rising availability of low cost cars and the car being a symbol of high prestige.
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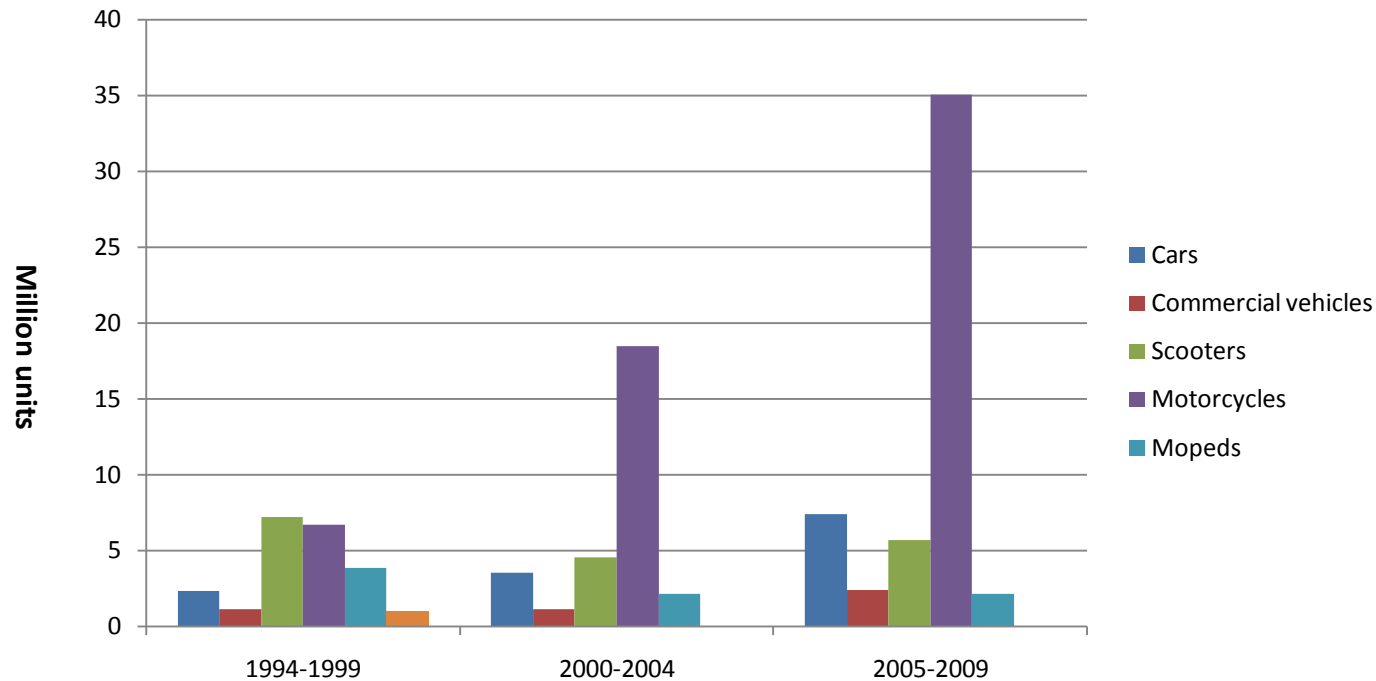


Current market situation – (2/2)

- Based on the overall production of cars in the country the Indian automotive industry is now the 7th largest in the world between Brazil on 6th and Spain on 8th. Furthermore, India is the fourth largest in the Asian region after South Korea on the first, Japan on the second and Thailand on the third.
 - In addition India has today emerged as the fourth largest exporter of automotives in the world, where the largest is the US then Japan and Germany.
 - In 2010 TATA motors, one of India's major car manufacturer, has acquired Jaguar and Land Rover and started the manufacturing of Jaguars in India.
 - Car brands as BMW have an advantage when they are assembling their 3-series and 5-series in India, since they become less expensive to sell. Imported cars are very expensive to acquire in India, due to the many import licenses and tariffs that lead to higher prices on imported cars.
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Indian Automotive development





SWOT Analysis of the Indian automotive industry

Strengths

- Investments by foreign car manufacturers
- Increase in the export levels
- Low cost and cheap labor
- Rise in the working and middle class income
- Increasing demand for European quality
- Expert skills in producing small cars – good for environment
- Large pool of engineers

Weaknesses

- Low quality compared to other automotive countries
- Low labour productivity
- High interest rate and overhead level
- Rising cost of production
- Low investment in R&D area
- Local demand is still towards low cost vehicles, due to low income levels

Opportunities

- Growing population with more money on their hands
- Focus from the government in improving the road infrastructure
- Rising living standards
- Increase in income level
- Better car technology is demanded
- Rising rural demand
- The car is a status symbol
- Women drivers have increased

Threats

- Less skilled labor
- Lack of technologies for Indian companies
- Increase in the import tariff and technology cost
- Imports of two wheelers from the Chinese market in India
- Smaller players that do not fulfill international standards
- Increased congestion in the urban areas



Main segments in the Indian automotive industry

Passenger vehicles:

Cars and buses

Commercial vehicles:

Light commercial vehicles – Goods carrier

Multi Utility Vehicles, Sports Utility and mini vans

Heavy commercial vehicles – Trucks, Tempo,

Tractor and Tipper/Dumper

Three wheelers:

Rickshaws, Trolleys, Delivery Vans and Tipper

Two wheelers:

Scooters, Motorcycles and Mopeds

Aside from these four segments there is also a growing segment within the electrical car area in India. Electrical cars are both economical, efficient and environment friendly.





The auto industry's ranking and production

Automobile category	India's rank in the world
Cars	9 and 4 th in Asia
Commercial vehicles – Trucks, Tempo, Tipper	5
Threewheeler - Rickshaws,	1
Two wheeler – Motorcycles, Scooters, Mopeds	1

Category	Production units in 2009
Cars	2.4 million
Commercial vehicles	0.56 million
Two wheeler	9.3 million



Key Indian companies in the automotive industry

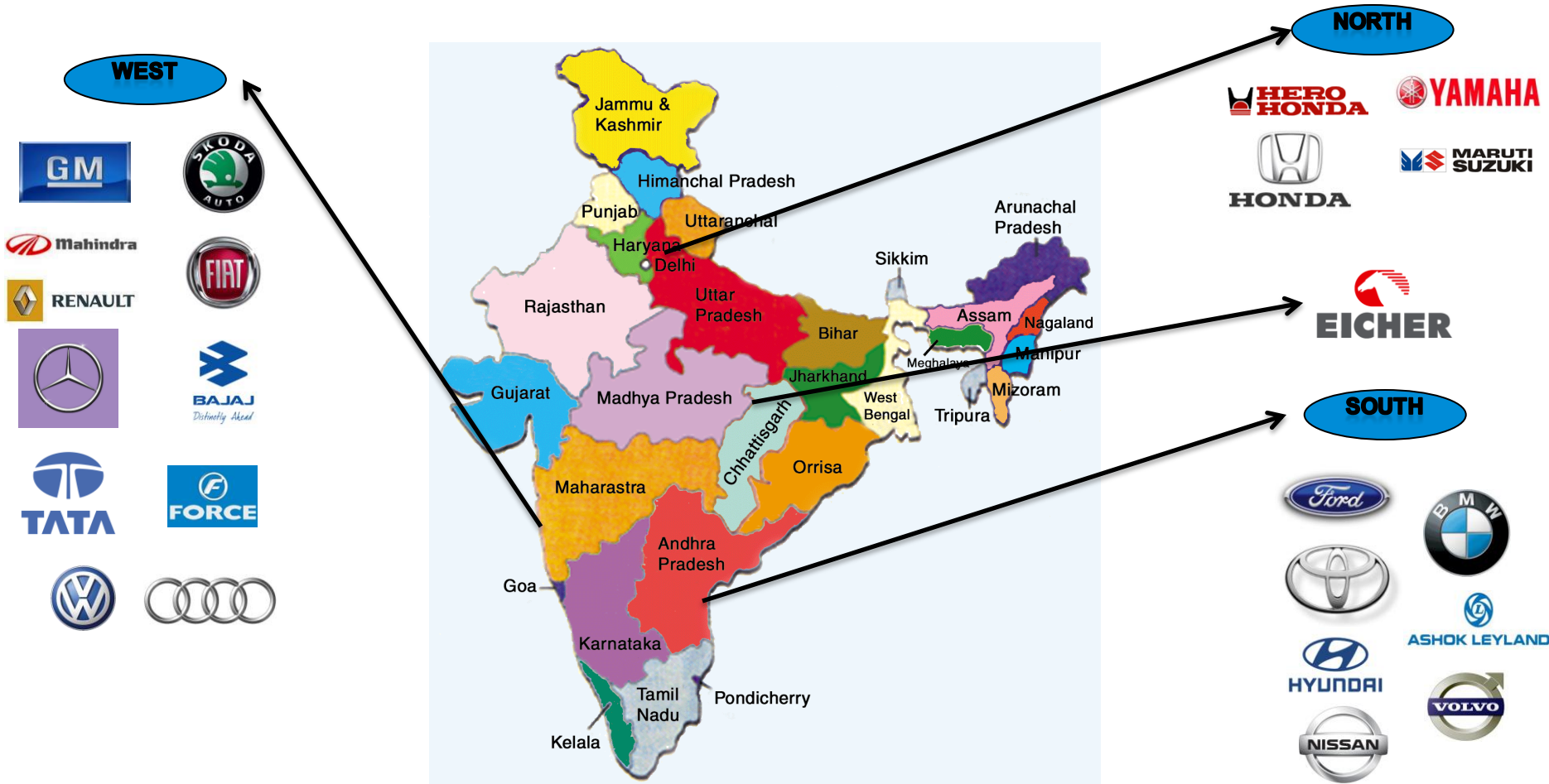
Company name	Products Manufactured	Manufacturing locations	Total group turnover in USD \$
TATA	Cars, Commercial vehicles	Pune, Jamshedpur, Ahmedabad	20 billion
Maruti Suzuki	Cars	Gurgaon	6.4 billion
Bajaj Auto	Motorcycles	Pune, Pantnagar, Aurangabad	2.6 billion
Hero Honda	Motorcycles	Gurgaon	3.5 billion
Mahindra and Mahindra	Commercial vehicles	Nashik, Zahirabad, Chennai	4.4 billion
Ashok Leyland	Commercial vehicles	Hosur, Pantnagar, Alwar, Bhandara, Chennai	1.6 billion



Key International companies in the Indian automotive industry

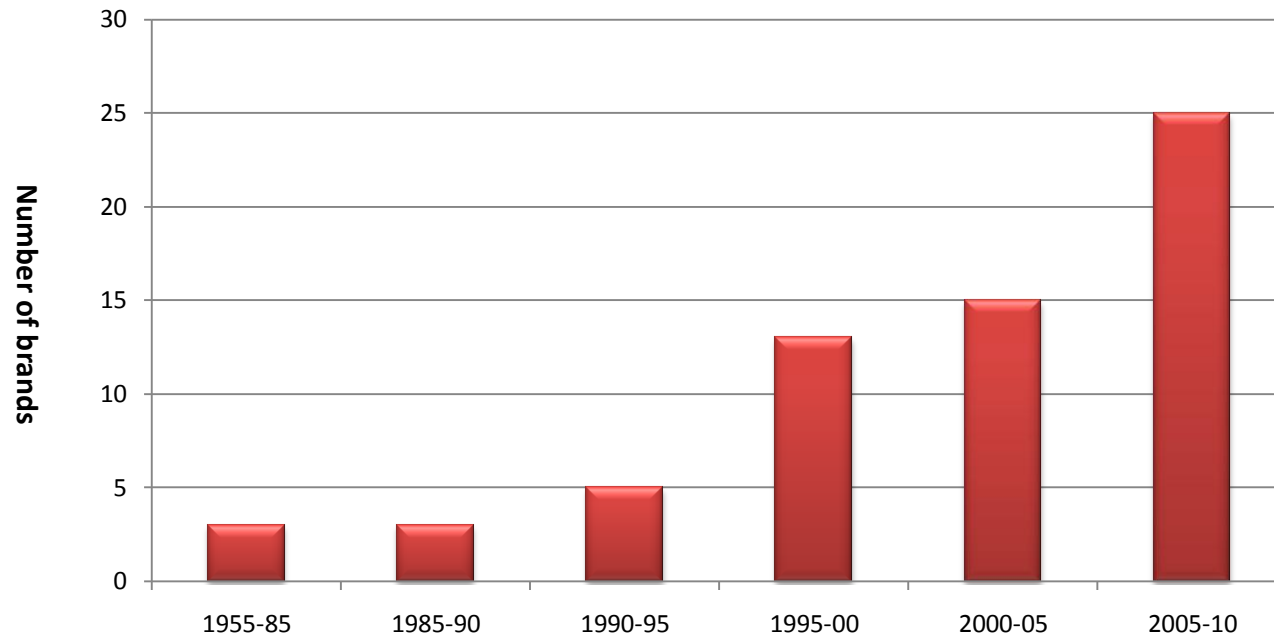
Company name	Products Manufactured	Manufacturing locations	Total group turnover in USD \$	Turnover in India In USD
Skoda Auto	Cars	Pune	10.4 billion	56 million
Toyota	Cars	Gurgaon	75.2 billion	585 million
BMW	Cars	Mumbai, Pune	69 billion	NA

Major automotive companies in India





Historical timeline for car brands in India





Car brands in India – (1/2)

	Brands	No. of models	Model name
1	Audi	07	A4, A6, A8, Q5, Q7, TT, R8
2	Bentley	04	Continental GT, Continental FS, Continental GTC, Mulsanne
3	BMW	10	3 series, M3, 5 series, GT 5, 6 series, 7 series, X3, X5, X6, Z4
4	Chevrolet	08	Aveo, Aveo U-VA, Beat, Captiva, Cruze, Optra Magnum, Spark, Tavera
5	Fiat	03	500, Punto, Linea
6	Ford	04	Endeavour, Ikon, Fiesta, Figo
7	Hindustan Motors	01	Ambassador Grand
8	Honda	05	Accord, City, Civic, Jazz, CR-V
9	Hyundai	07	Accent, i10, i20, Santro Xing, Sonata Transform, Verna Transform, Santa Fe
10	Jaguar	03	XF, XJ, XKR
11	Lamborghini	02	Gallardo, Murcielago
12	Land Rover	04	Discovery 3, Freelander 2, Range Rover, Range Rover Sport
13	Mahindra	04	Bolero, Scorpio, Xylo, Logan



Car brands in India – (2/2)

	Brands	No. of models	Model name
14	Maruti Suzuki	14	Alto, Alto K10, Grand Vitara, Gypsy, Omni, Swift, A-Star, Swift Dzire, SX4, Eeco, Ritz, Wagon R Duo, Wagon R, Estilo
15	Mercedes –Benz	10	C-Class, CL-Class, CLS-Class, E-Class, E-Class Coupe, GL-Class, M-Class, S-Class, SL, SLK-Class
16	Mitsubishi	05	Cedia, Lancer, Montero, Outlander, Pajero
17	Nissan	04	370 Z, Micra, Teana, X-Trail
18	Porsche	05	911, Boxster, Cayenne, Cayman, Panamera
19	Premier	01	Rio
20	Rolls-Royce	04	Ghost, Phantom, Drophead Coupe, Coupe
21	Skoda	03	Fabia, Laura, Superb
22	TATA	10	Nano, Aria, Indica V2, Indica Vista, Indigo Manza, Indigo CS, Safari, Sumo, Sumo Grande, Xenon
23	Toyota	07	Camry, Corolla Altis, Fortuner, Innova, Land Cruiser Prado, Land Cruiser V8, Prius
24	Volkswagen	07	Beetle, Jetta, Passat, Phaeton, Polo, Vento, Touareg
25	Volvo	02	S80, XC90



Investments in the Indian automotive industry

- Maruti Udyog, which is India's largest car manufacturer, has plans of investing US\$ 1.4 billion in the next 2 years.
 - TATA Motors will be investing around US\$ 445 million in their compact car project
 - By 2013, Hyundai Motors will be investing around US\$ 1 billion in its second manufacturing plant in Chennai, and also plans to invest US\$ 40 million in its R&D facility in Hyderabad.
 - Mercedes Benz plans to invest USD\$ 64 million in their plant near Pune, which will have a production capacity of 2500 trucks and buses and around 1000 cars over two shifts every year
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Scandinavian cases in India



- Roulunds Braking is a manufacturer of the friction products such as Braking pads, Brake kits for passenger cars and commercial vehicles
- Roulunds is headquartered in Denmark with manufacturing facility in Haryana in India
- Roulunds has been operating in India since 1997
- **Clients of Roulund Braking in India are:**
- Ashok Leyland, BEML, Toyota, SPM Auto Private Limited
- Roulunds Braking has manufacturing facilities in India, China, France and Denmark
- Roulunds Braking has around 200 – 250 employees in India
- Trelleborg is a Swedish manufacturer of automotive accessories such as Car body, Braking systems etc.
- Trelleborg is headquartered in Sweden with operations in Bangalore and Delhi in India.
- Trelleborg has been operating in India since 1994.
- **Clients of Trelleborg in India are:**
- BEML, L&T, Hindustan Aeronautics Limited, Eicher motors, John Deere, Bosch, Maruti, TATA, Ford, Hindustan Aeronautics Limited.
- Trelleborg has around 130 employees in India.
- Trelleborg had a group turnover of US\$ 3.4 billion and an Indian turnover of around US\$ 112 million.



Danish contact in India

- If you are interested to hear more about India and the rising automotive industry's please contact:
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