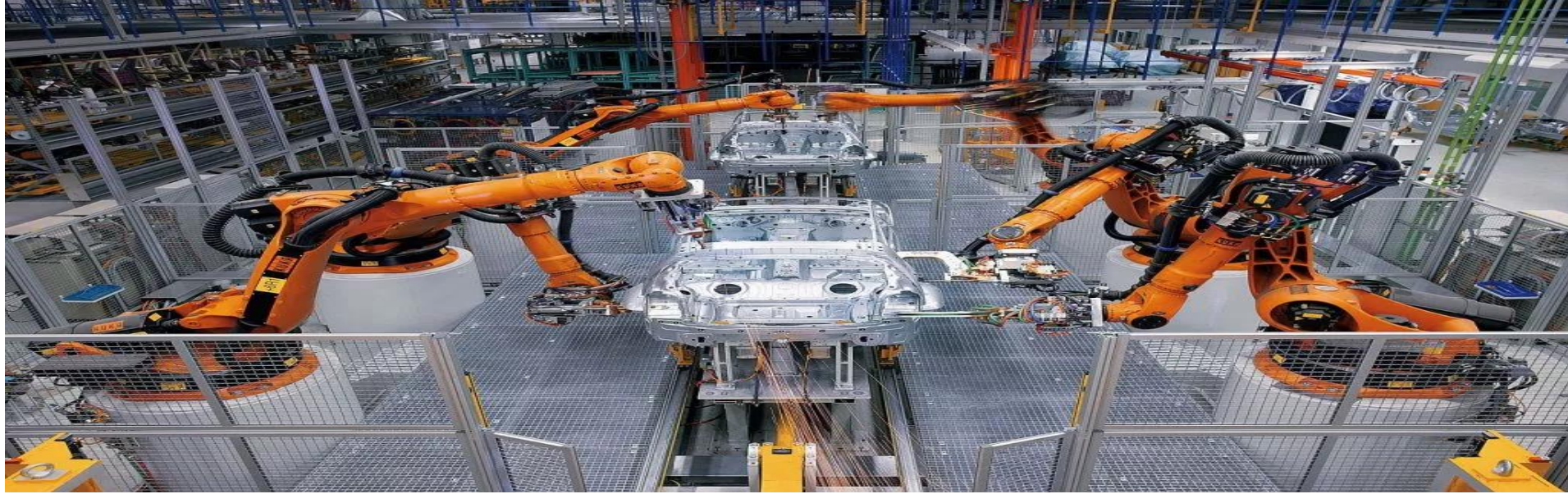


AUTOMOBILES



Industry - Automobiles

Running in the top gear

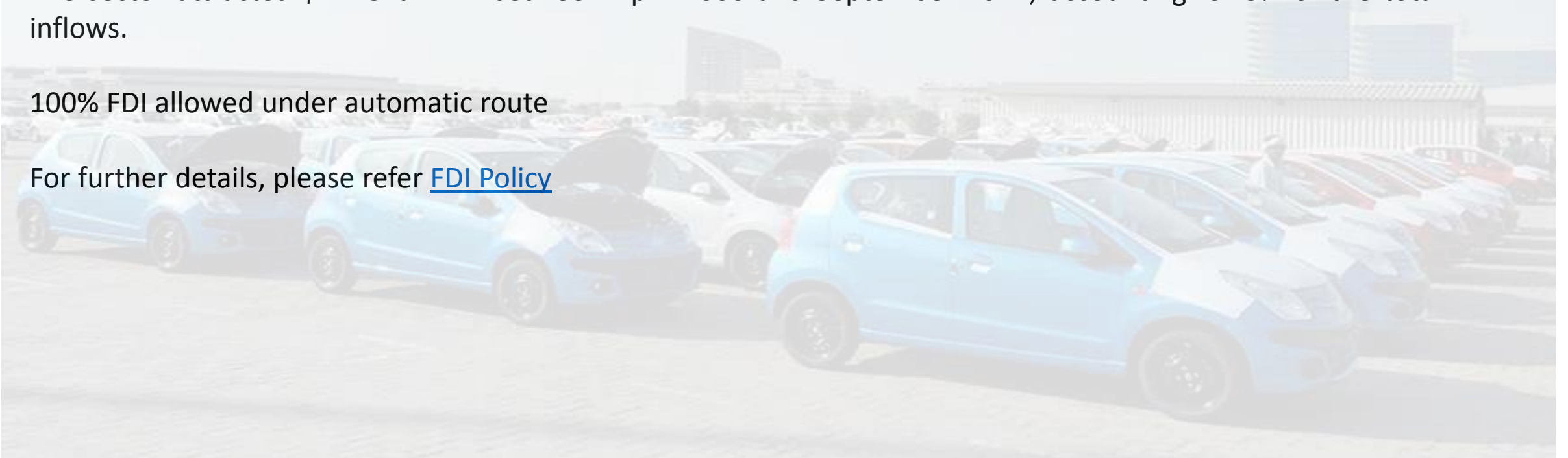
India is expected to be the world's third-largest automotive market in terms of volume by 2026.

The industry currently manufactures 25 mn vehicles, of which 3.5 mn are exported. India holds a strong position in the international heavy vehicles arena as it is the largest tractor manufacturer, second largest bus manufacturer and third largest heavy trucks manufacturer in the world.

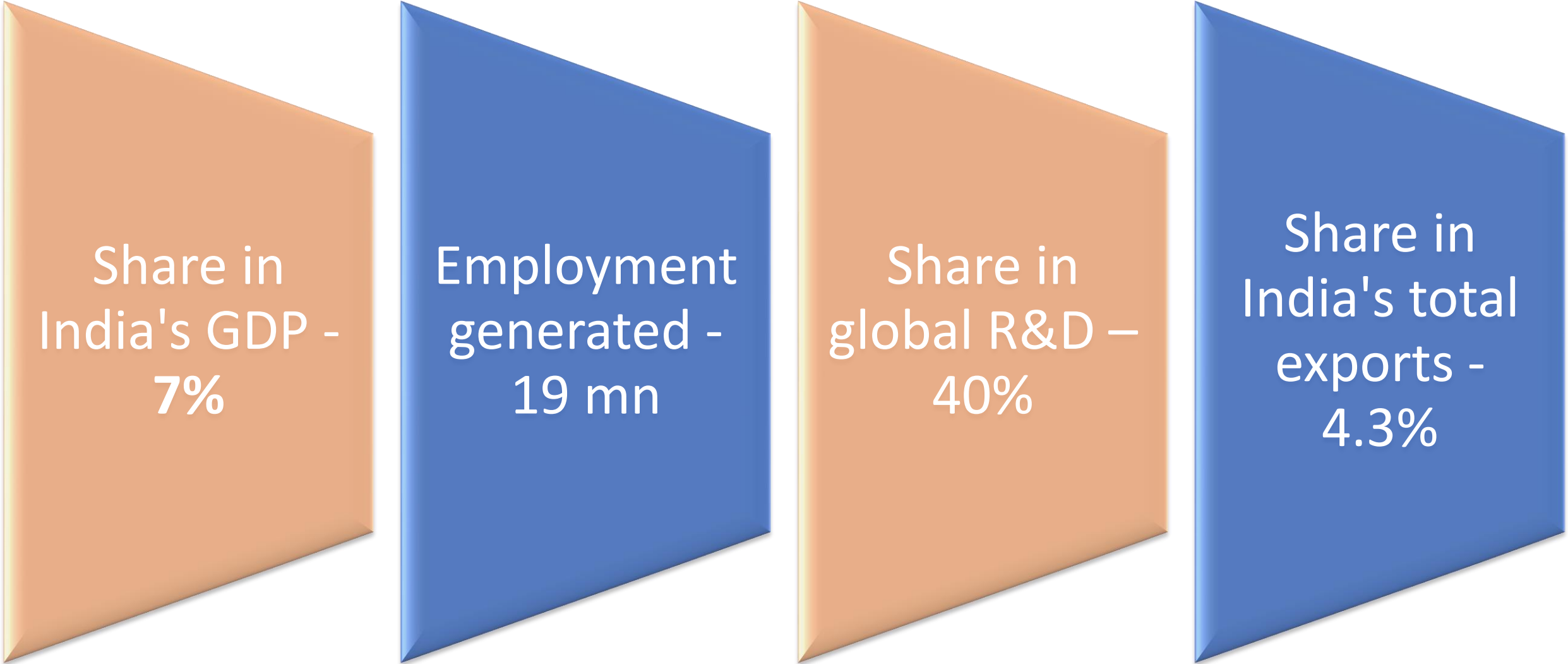
The sector attracted \$ 17.9 bn FDI between April 2000 and September 2017; accounting for 5% of the total FDI inflows.

100% FDI allowed under automatic route

For further details, please refer [FDI Policy](#)



Contribution in Indian Economy



Share in
India's GDP -
7%

The infographic consists of four chevron-shaped blocks arranged horizontally. The first and third blocks are orange, while the second and fourth are blue. Each block contains white text describing a specific contribution. The entire graphic is enclosed in a double-line border, with an orange outer line and a blue inner line.

Employment
generated -
19 mn

Share in
global R&D –
40%

Share in
India's total
exports -
4.3%

Highlights



World's largest tractor manufacturer



World's second largest two-wheeler market



World's third largest heavy truck manufacturer and fourth largest car producer

Industry Scenario

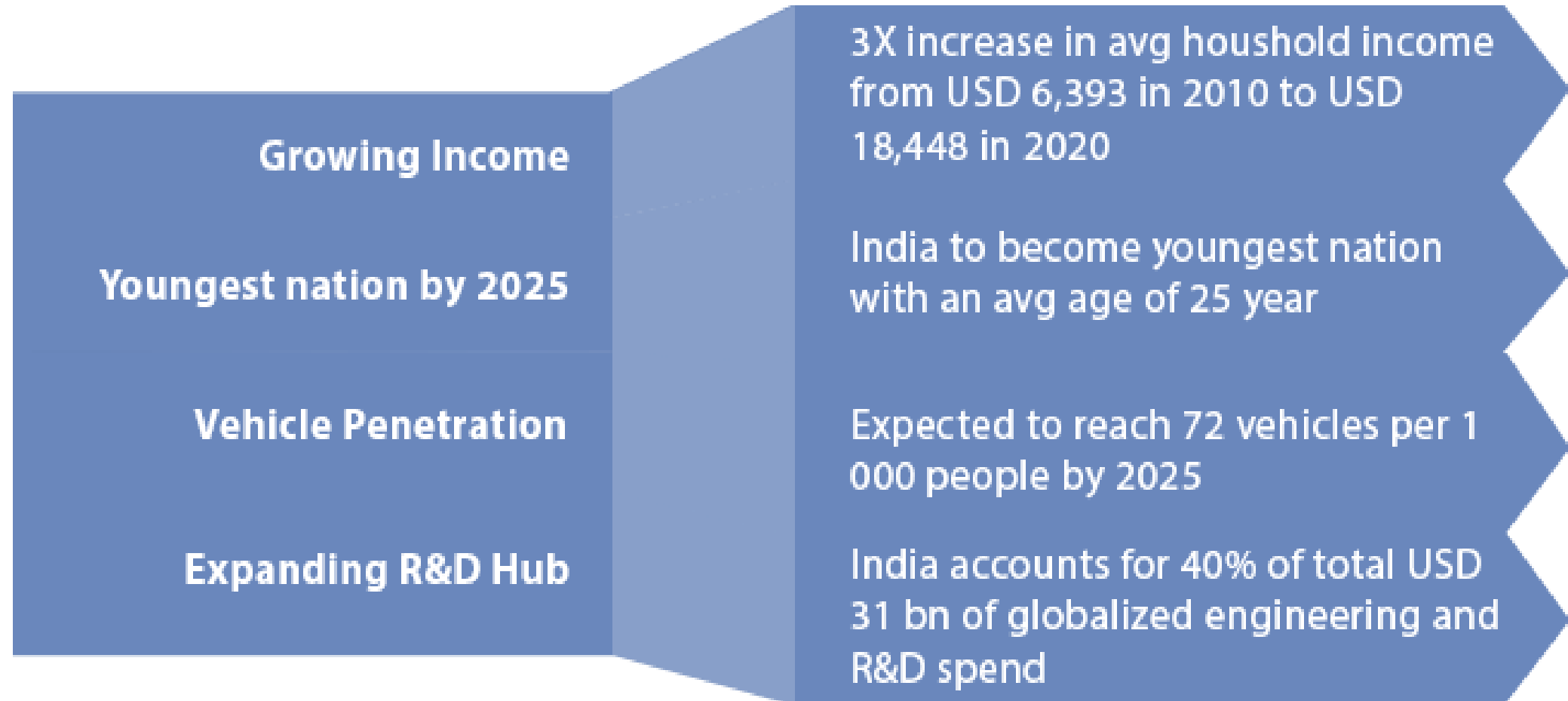
Known as the Sunrise sector of India, the USD 74 bn auto industry is expected to grow to USD 300 bn by 2026.

The sector is expected to grow to 135 bn by 2020 and 300 bn by 2026 at a CAGR of 15%

The sub-sectors contribution to the overall market (2017-18):

- 2-Wheelers: 81%
 - Passenger Vehicles: 13%
 - 3-Wheelers: 3%
 - Commercial Vehicles: 3%
-
- India's rapidly growing 5 auto hubs have a significant potential to be used as a base for export to SEA and MENA regions.
 - Exports in the Passenger Vehicles and Commercial Vehicles category, are growing rapidly at the rate of 16.2% and 5% respectively

Growth Drivers



Industry Trends



Low cost Electrical Vehicle

The government's vision of 100% electric mobility by 2030

Voluntary Vehicle Fleet Modernization programme

Incentivising buyers of new commercial vehicles



Bharat Stage VI norms by 2020

By 2030 India has to reduce its carbon footprint by 33-35%

Positive GST impact

Reduction in overall cost structure of Indian auto industry



Key Policies

Automotive Mission Plan (2016-26)

Faster Adoption and Manufacturing of Hybrid and Electric vehicles (FAME)

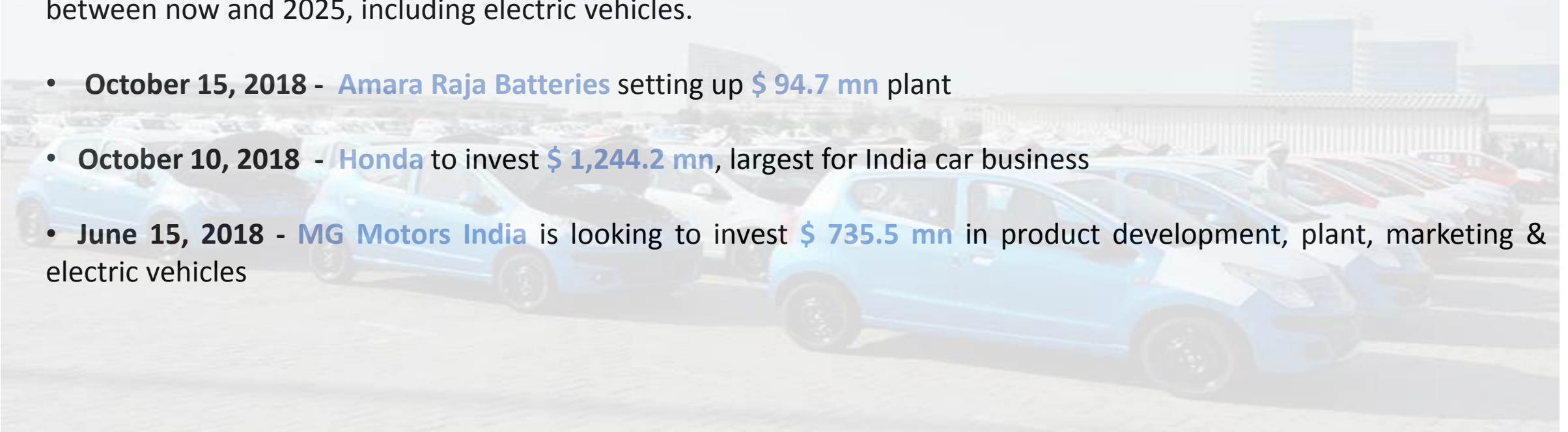
National Auto Policy (Draft)

National Electric Mobility Mission Plan 2020 (NEMMP)

National Automotive Testing And R&D Infrastructure Project (NATRIP)

Recent Investments

- **November 15, 2018** - **Mahindra Electric Mobility** opened its electric technology manufacturing hub set up with an investment of **INR 100 crore** in Bengaluru.
- **November 13, 2018** - **Hyundai Motor India Limited (HMIL)** will be making an investment of **INR 7,000 crore** at its Chennai plant — for increasing production capacity by 100,000 units per annum as well making 10 new models between now and 2025, including electric vehicles.
- **October 15, 2018** - **Amara Raja Batteries** setting up **\$ 94.7 mn** plant
- **October 10, 2018** - **Honda** to invest **\$ 1,244.2 mn**, largest for India car business
- **June 15, 2018** - **MG Motors India** is looking to invest **\$ 735.5 mn** in product development, plant, marketing & electric vehicles



Major Investors



Mercedes-Benz



SUZUKI



RENAULT

Automobile Clusters

Gujarat - Madhya Pradesh

CNH Industrial
Ford
Honda Motorcycle
and Scooter
John Deere
SAIC Motors
TATA motors
VECV

Haryana - Rajasthan - Uttar Pradesh

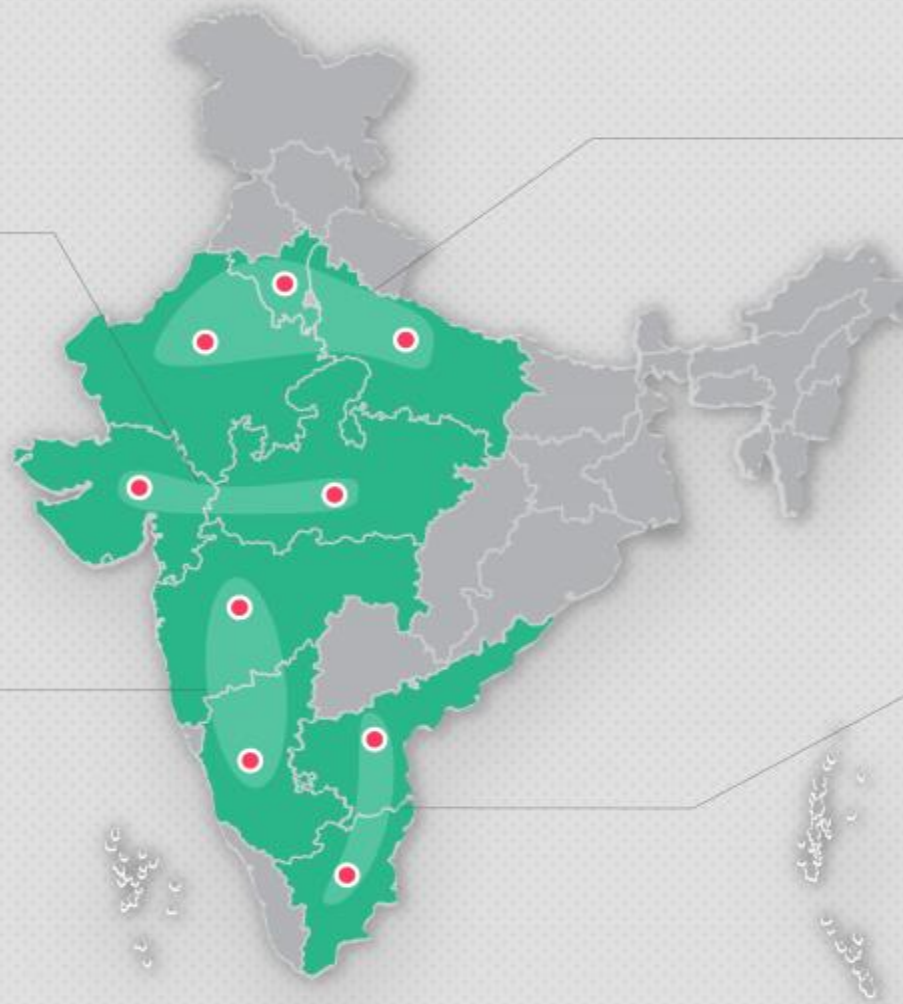
Eicher
Hero MotoCorp
Honda
JCB
Maruti Suzuki
New Holland Agriculture
Yamaha

Maharashtra - Karnataka

Bajaj Auto
Daimler
FCA
Force Motors
General Motors
Piaggio
Scania
Toyota
Volkswagen
Volvo

Andhra Pradesh - Tamil Nadu

Ashok Leyland
BMW
Hyundai
Isuzu
Kia Motors
Peugeot
Renault
Royal Enfield
TVS Motors
Yamaha



Disclaimer: The data is taken from the sites investindia.gov.in, rbi.org.in, etc. Please note that this is not a legal report and we do not accept any responsibility arising out of any action taken by any person on the basis of above report, unless expressly agreed by us in writing.