
The Fastener Market in India - an Overview

February 2013



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Auto components – already a world force and still growing

India currently has an automotive component manufacturing sector worth in 2011-12 INR 208,267 crore (Around US\$ 40 billion) according to the Automotive Component Manufacturers Association of India (ACMA¹⁵). Overall growth for the industry in 2011-12 was 13%. Imports grew by 25% to more than US\$ 10.5 billion. Exports in the fiscal year grew 31% to USD 6.9 billion buoyed by increased penetration of Europe (accounting for 37%) and North America (accounting for 24%). Asia accounted for 28% of exports.

ACMA commissioned a January 2012 report, conducted by Nielsen and focusing on the domestic aftermarket, titled “Emerging Trends in Distribution, Servicing and Future Regulations”. Announcing the report ACMA valued the components business in the Indian aftermarket at INR 24,800 crore (US\$4.5 billion). Nearly half the market services two-wheeler demand, with passenger vehicles accounting for 24.7%, commercial vehicles 23.1% and three wheelers 2.5%.

41% of the components supplied were from OEMs with other manufacturers and imports accounting for a further 23%. The remaining 36% were believed to be counterfeit parts.

ACMA currently represents and lists around 600 members, 576 of which have ISO 9000 accreditation. 467 are accredited to TS16949 and 208 to ISO 14001.

In its 20:20:1 vision ACMA aims to see the achievement of US\$20 billion in domestic sales of auto components by 2016 and a similar value in exported product. The expectations appear high but ACMA is intent on creating one million additional jobs in the industry sector.

Auto Component Turnover USD Billion		
Year	Turnover	
2007-8	26.5	
2008-9	23	
2009-10	30.1	
2010-11	39.9	
2015-16	66.3	projected
2020-21	113.0	projected
Source: ACMA		

The development of the Tata Nano was seen as proof, in the form of thirty-seven new patents, that the Indian components industry could think “outside the box”. ACMA estimates that indigenization levels for high volume car models are already at 80-90%, contrasting substantially with other BRIC economies that are still pushing for higher localized content in its vehicles.

India is already home to a significant and growing number of automotive design and research centres, including Delphi, Valeo and Bosch, as well as Honda, Ford, GM, Suzuki, Mercedes Benz and Cummins. This is significant when compared, for example with Brazil, where fastener producers have little direct input to design, mainly having to conform to specifications generated in Europe and to a lesser extent the USA.

ACMA sees substantial opportunities for global SMEs to invest in green field manufacturing in India to meet the growing domestic demand for auto-components. It also sees opportunities for partnerships with Indian SMEs at tier 2 and 3 level. ACMA estimates that the Indian auto-component sector requires US\$ 1.5billion of new investments every year for eight years.

Auto Components by type

