

October 2014
Seoul

State of the Indian Automobile Industry

Latest Performance Review

SIAM

Society of Indian Automobile Manufacturers

Performance & Growth

Indian Automobile Industry (2013-14)

Domestic Sales (number of vehicles)

Passenger Vehicles : 2.5 Mn

Commercial Vehicles : 0.63 Mn

2 Wheelers : 14.8 Mn

3 Wheelers : 0.48 Mn

Industry Estimates

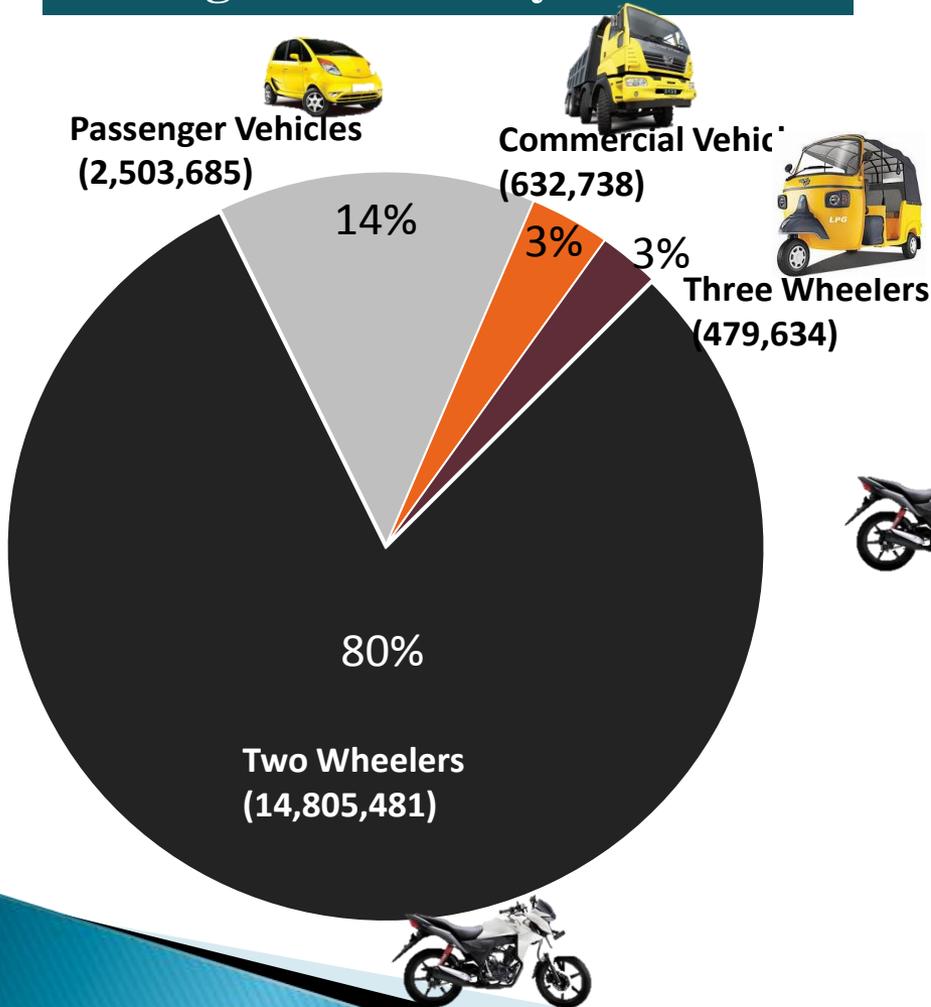
Employment (Direct + Indirect) : 2 Mn+27 Mn

Contribution to manufacturing GDP : 47.3%

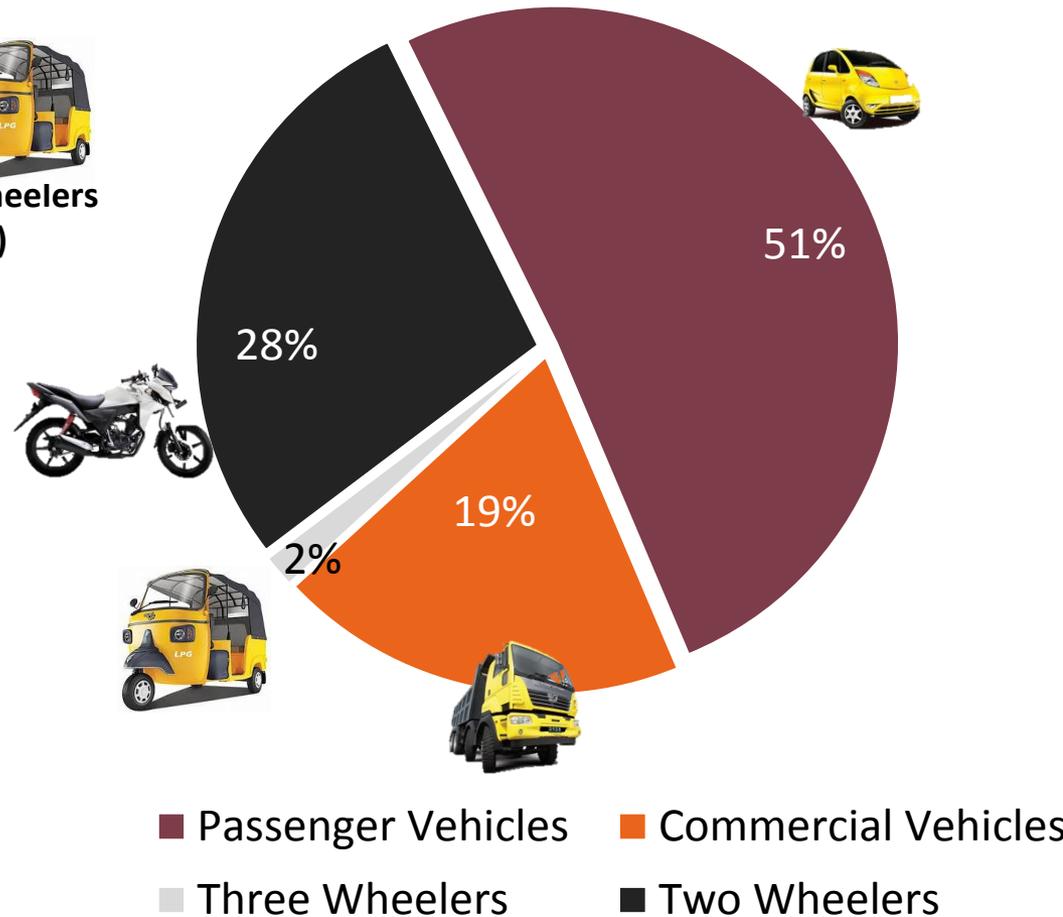
Investment from FY 09 - FY 14 : USD 13.5 Bn

Indian Automotive market segmentation

Segmentation: By Volume



Segmentation: By Value

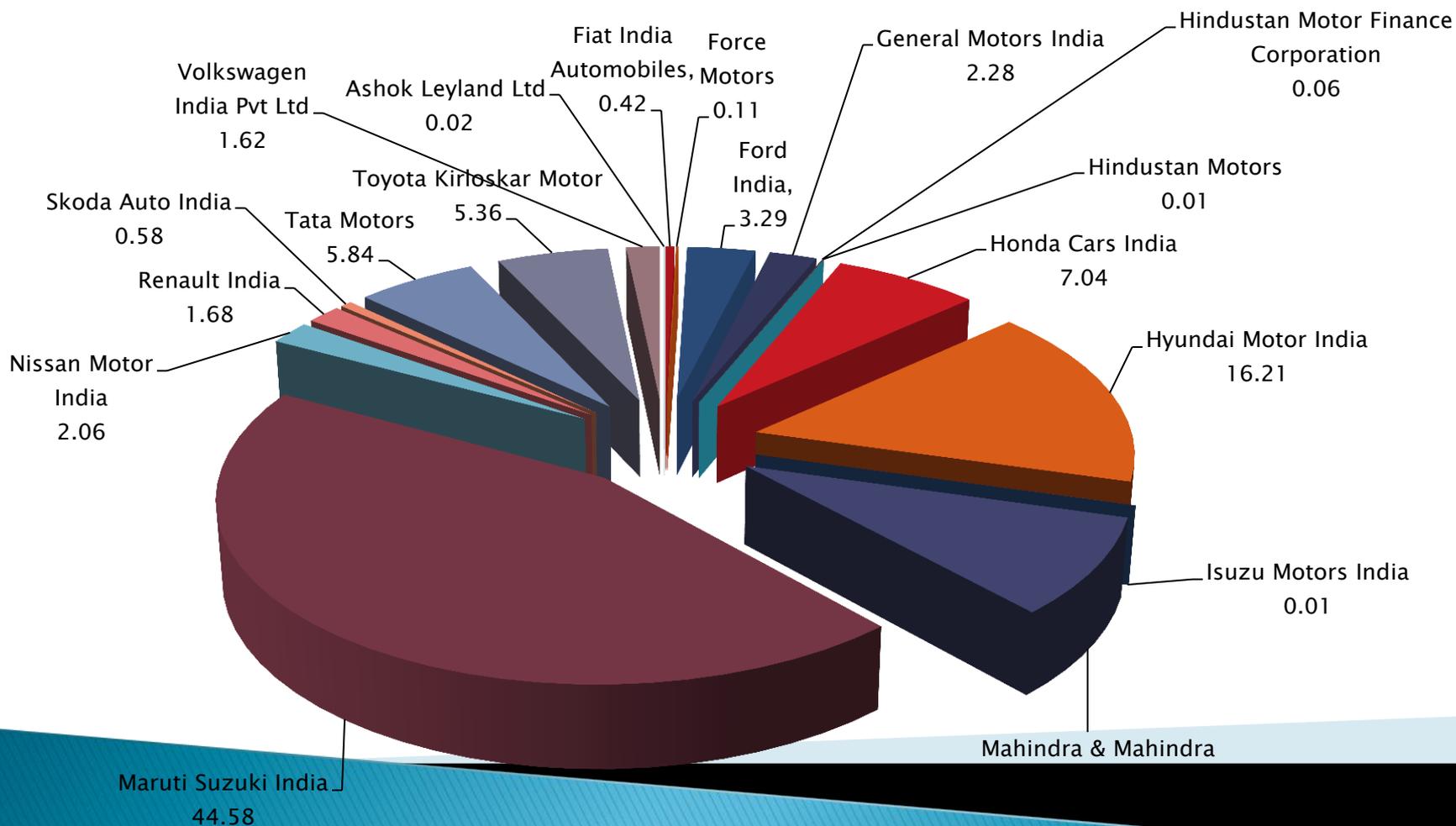


- Passenger Vehicles
- Commercial Vehicles
- Three Wheelers
- Two Wheelers

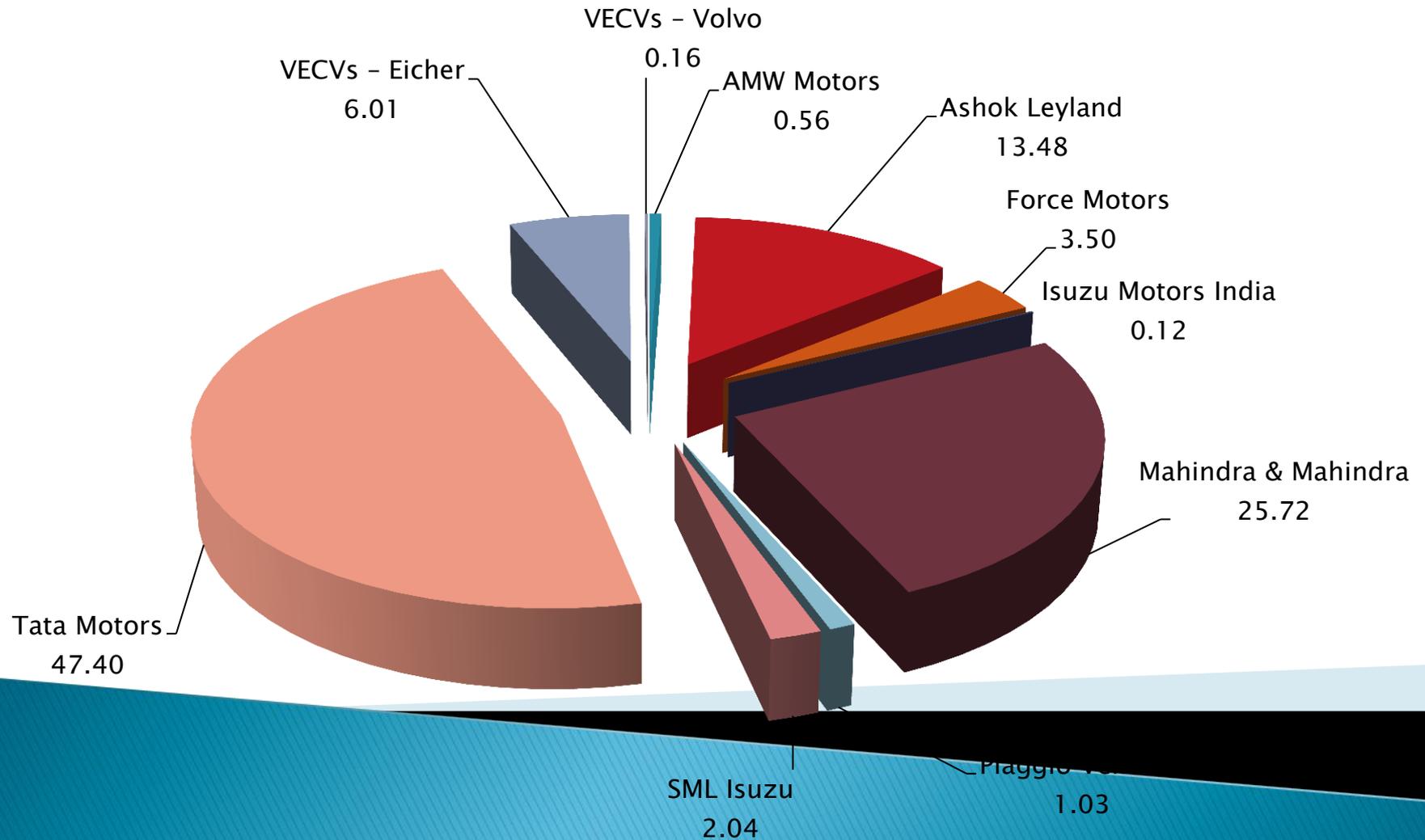
Source: SIAM

SIAM

PVs Market Share (Apr-Sep-14)



CVs Market Share (Apr-Sep-14)



Top 10 PVs Models Sold In India

Sl. No	Models	Sep 2014 (Sales Nos)
1	Maruti Suzuki Alto	19,906
2	Maruti Suzuki Swift	17,265
3	Maruti Suzuki DZIRE	16,964
4	Maruti Suzuki Wagon R	15,641
5	Hyundai Elite i20	8,902
6	Mahindra Bolero	8,541
7	Hyundai Grand i10	7,285
8	Maruti Suzuki Omni	6,659
9	Hyundai Eon	6,489
10	Maruti Suzuki Celerio	6,382



Alto



Swift



Dzire



Wagon R



Grand i10



Elite i20



Bolero



Omni



Celerio



Eon

Segment Wise Top Models

Category	Model	September 2014
A: Passenger Cars		
Micro	Tata Nano	1,703
Mini	Maruti Suzuki Alto	19,906
Compact	Maruti Suzuki Swift	17,265
Super Compact	Toyota Etios Sedan	1,638
Mid-Size	Honda City	4,600
Executive	Toyota Corolla	791
Premium	Skoda Superb	125
B: Utility Vehicles(UVs)		
UV1	Mahindra Bolero	6,850
UV2	Mahindra Scorpio	6,060
UV3	Force Trax	299
UV4	Toyota Fortuner	1,745
UV5	Toyota Land Cruiser	10
C: Vans		
V1	Maruti Suzuki Omni	6,659
V2	Tata ACE Magic	1,566

2003-04 to 2013-14...an Exciting Decade

Items	Unit	2003-04	2013-14	Growth
Total Volume (in numbers)	'000	6,811	18,422	2.7x
Passenger Vehicles	'000	902	2,504	2.8x
Commercial Vehicles	'000	260	633	2.4x
Two Wheelers	'000	5,364	14,805	2.8x
Three Wheelers	'000	284	480	1.7x
Domestic Sales Revenue (OEM)	US \$ billion	15	40	2.7x
Vehicles Exports Revenue	US \$ billion	1	8	7.2x
Share of GDP	%	4.5%	7.1%	1.6x

(1 USD @ Rs. 60)

Production, Domestic Sales and Exports data of PVs & CVs for Jan–December 2013

Production	(January –December)		
Data in units	2012	2013	% Change
Passenger Cars (1)*	3,296,240	3,138,988	-4.77
Commercial Vehicles (2)	878,473	741,950	-15.54
Total Motor Vehicles (1)+(2)	4,174,713	3,880,938	-7.04
Domestic Sales	(January –December)		
Data in units	2012	2013	% Change
Passenger Cars (1)*	2,753,161	2,553,979	-7.23
Commercial Vehicles (2)	813,821	687,230	-15.56
Total Motor Vehicles (1)+(2)	3,566,982	3,241,209	-9.13
Exports	(January –December)		
Data in units	2012	2013	% Change
Passenger Cars (1)*	551,522	593,453	7.60
Commercial Vehicles (2)	89,221	72,170	-19.11
Total Motor Vehicles (1)+(2)	640,743	665,623	3.88
Note: * BMW, Mercedes, Audi and JLR data not reported			

Production, Domestic Sales and Exports data of PVs & CVs for Jan–September 2014

Production	(January –September)		
Data in units	2013	2014	% Change
Passenger Cars (1)*	2,407,278	2,388,674	-0.77
Commercial Vehicles (2)	585,855	517,323	-11.70
Total Motor Vehicles (1)+(2)	2,993,133	2,905,997	-2.91
Domestic Sales	(January –September)		
Data in units	2013	2014	% Change
Passenger Cars (1)*	1,927,176	1,927,917	0.04
Commercial Vehicles (2)	543,251	455,633	-16.13
Total Motor Vehicles (1)+(2)	2,470,427	2,383,550	-3.52
Exports	(January –September)		
Data in units	2013	2014	% Change
Passenger Cars (1)*	452,001	447,721	-0.95
Commercial Vehicles (2)	53,399	63,815	19.51
Total Motor Vehicles (1)+(2)	505,400	511,536	1.21
<i>Note: * BMW, Mercedes, Audi and JLR data not reported</i>			

Facing slowdown over the last 2-3 years

Domestic Sales (number of vehicles)

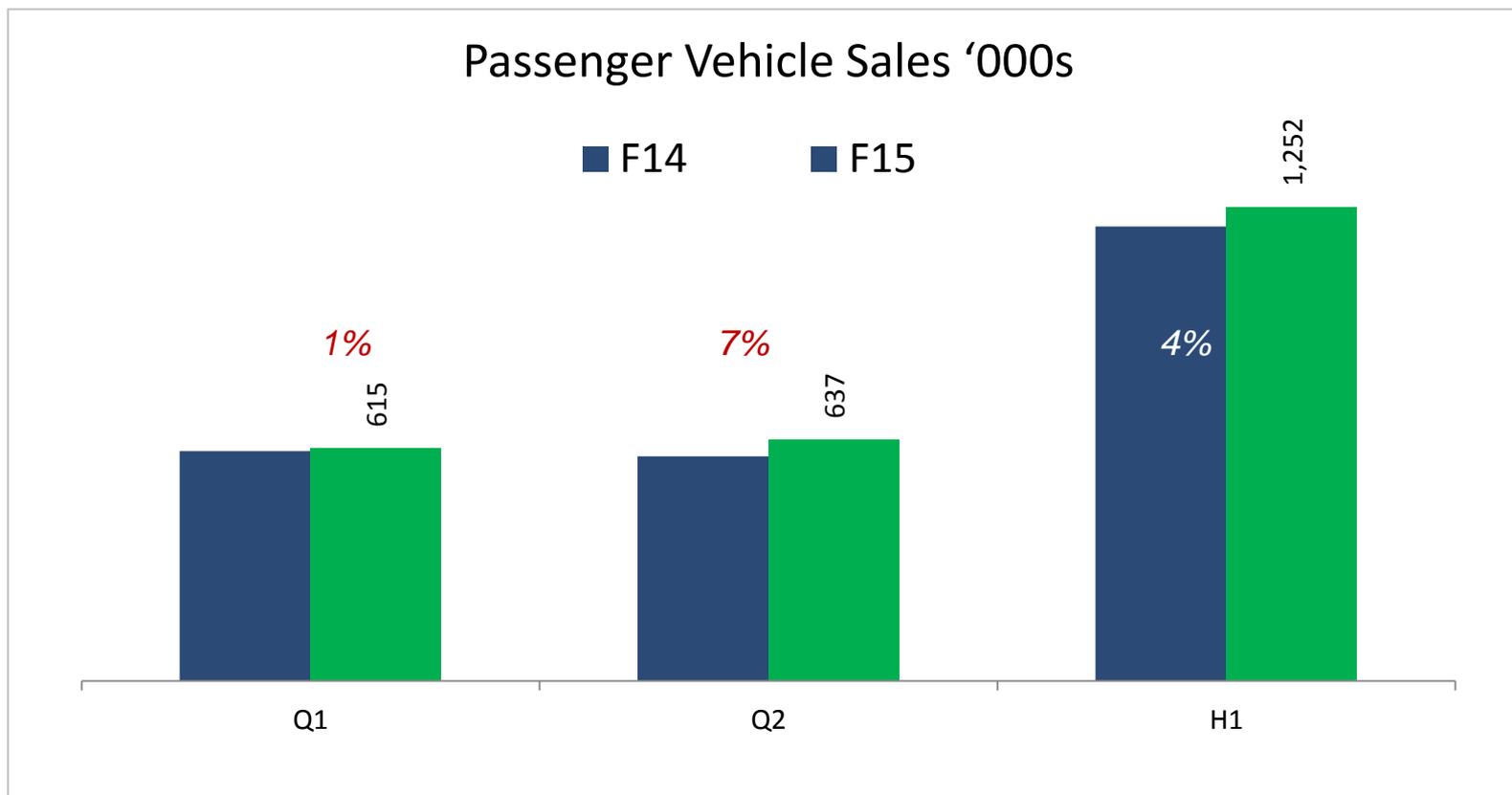
Vehicle Segment ('000)	FY 02	FY 12	CAGR FY 02-12	FY 14	CAGR FY 12-14
Passenger Vehicles	686	2,629	14.4%	2,501	-2.5%
Commercial Vehicles	136	833	19.9%	633	-12.8%

Early signs of domestic demand recovery

Domestic Sales (number of vehicles)

Vehicle Segment ('000)	FY 02	FY 12	CAGR FY 02-12	FY 14	CAGR FY 12-14	Growth 6m FY 15
Passenger Vehicles	686	2,629	14.4%	2,501	-2.5%	4.3%
Commercial Vehicles	136	833	19.9%	633	-12.8%	-10.1%

Domestic Sales H1 F15

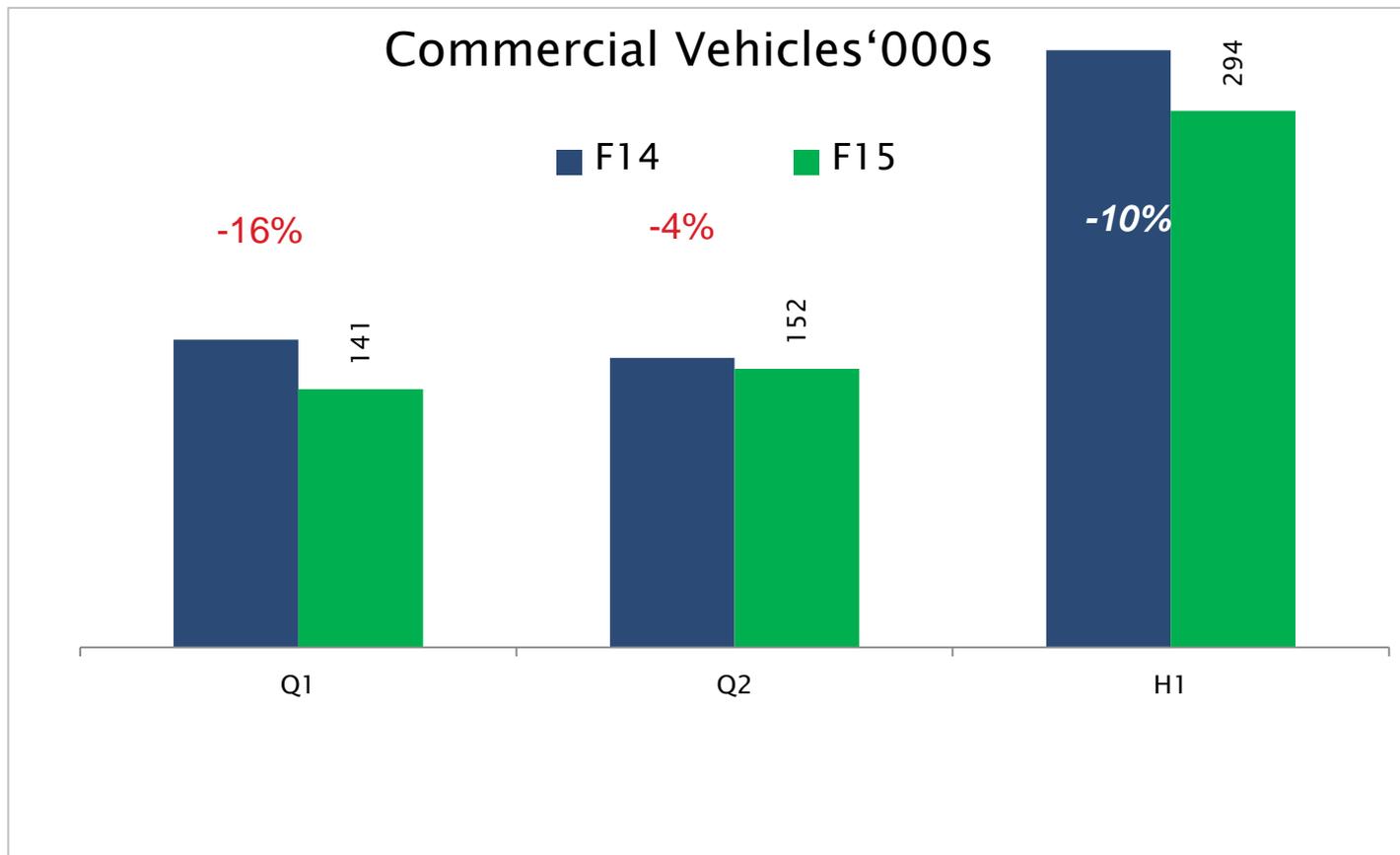


Passenger Vehicles-Trends

PVs=Cars + UVs + Vans- Trends

- 4% in H1 F15 over H1 F14

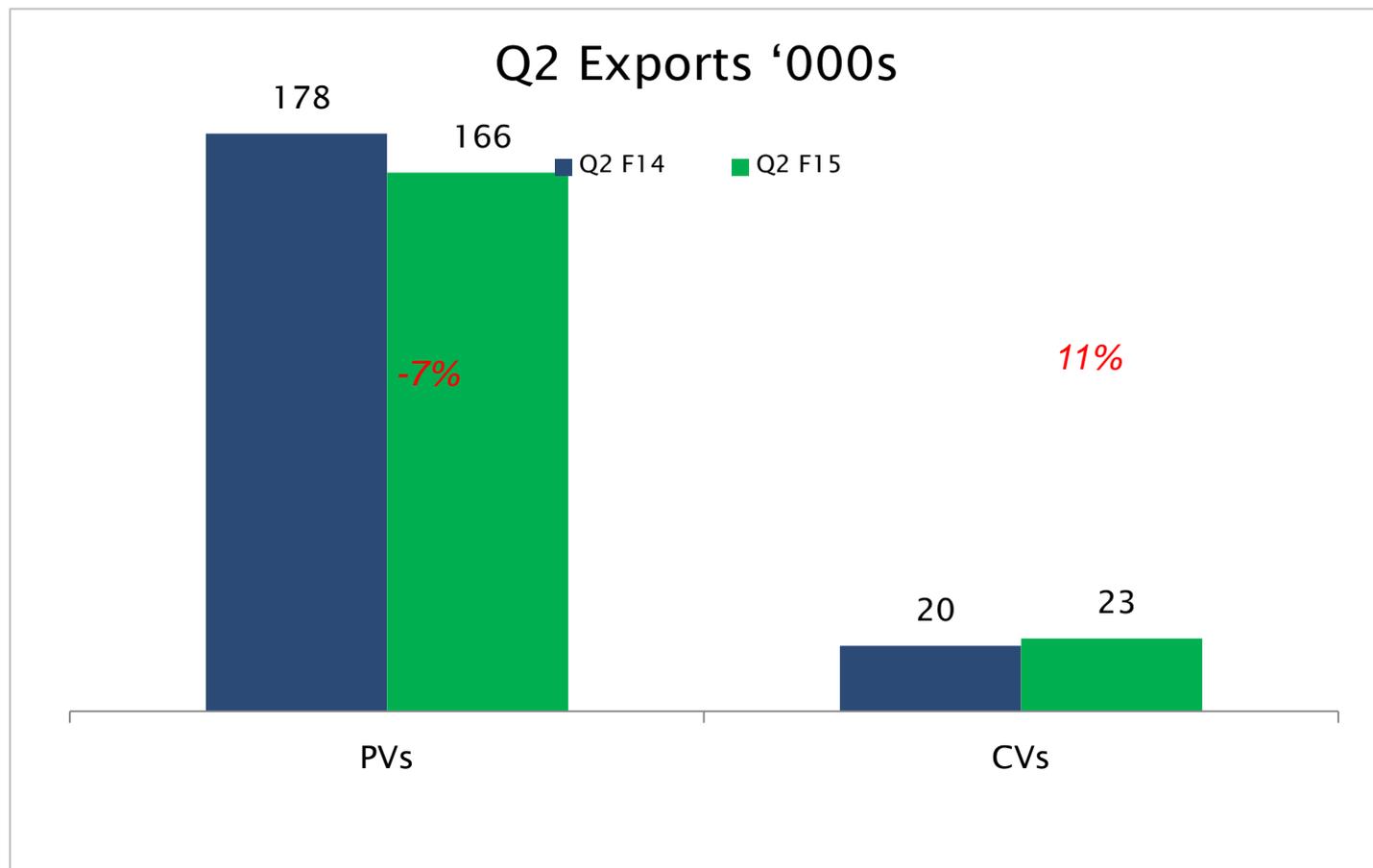
Domestic Sales H1 F15



CVs-Trends

- -10% in H1F15 over H1 F14

Q2 F15 Export Performance



Exports as a % of
Production in Q2

20%

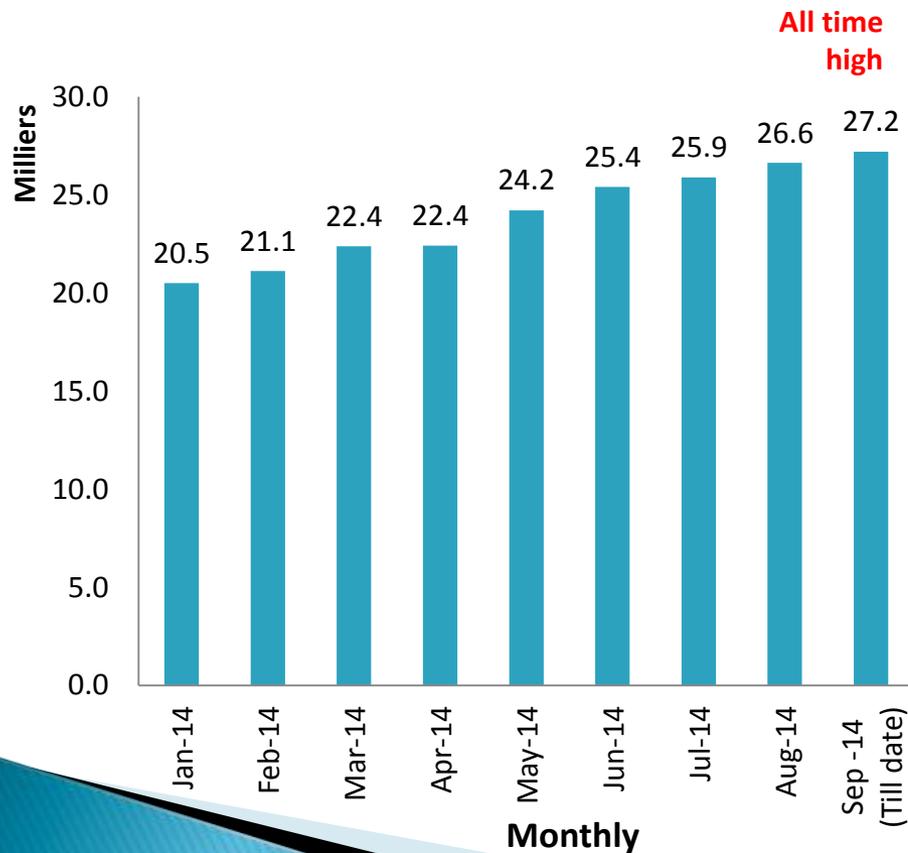
13%

F15 Outlook

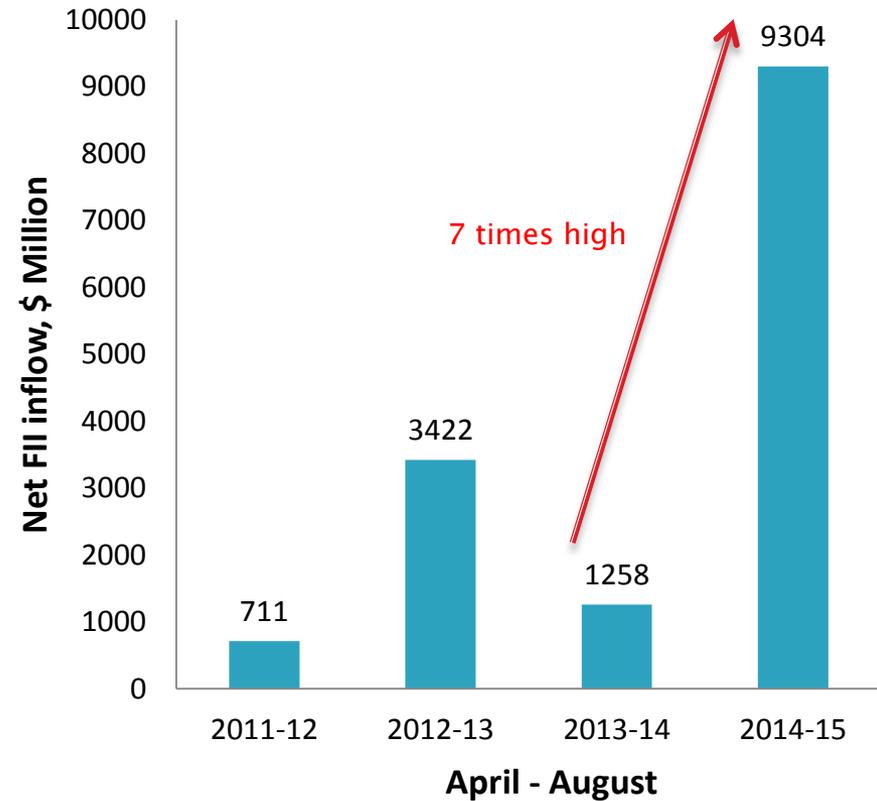
Improvement in sentiment

Equity Market is a Lead indicator for real economy

Sensex



Foreign financial investment (FIIs)

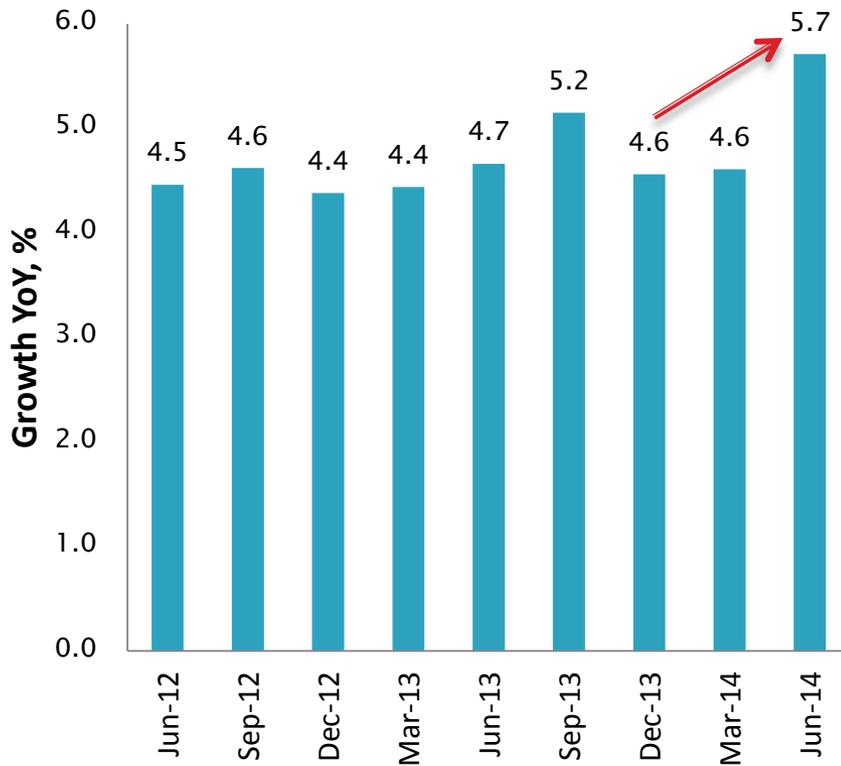


Source: CMIE

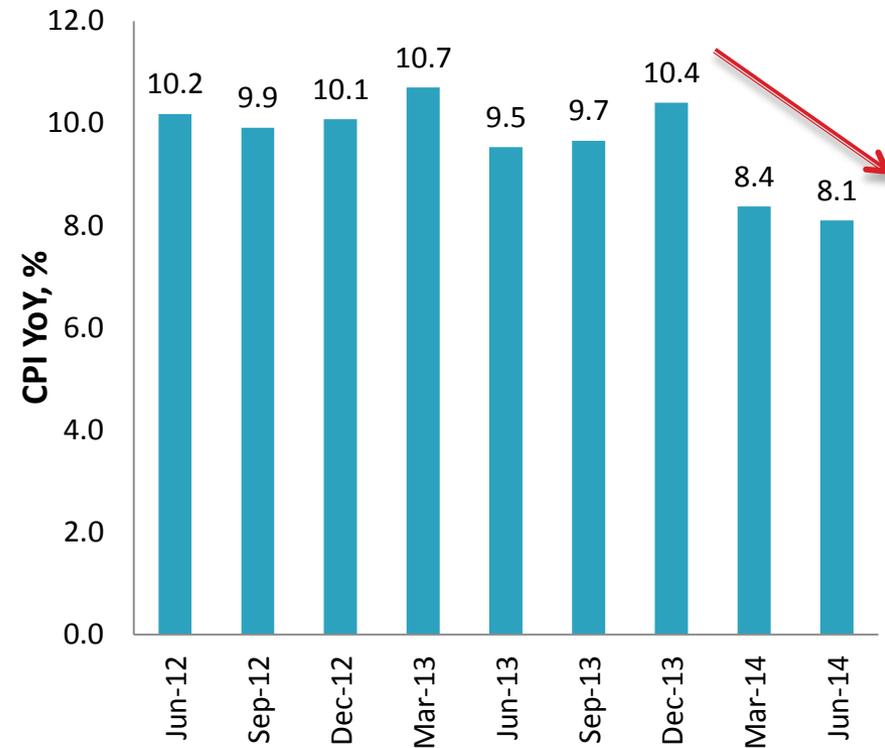
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Green shoots in the economy

GDP recovery



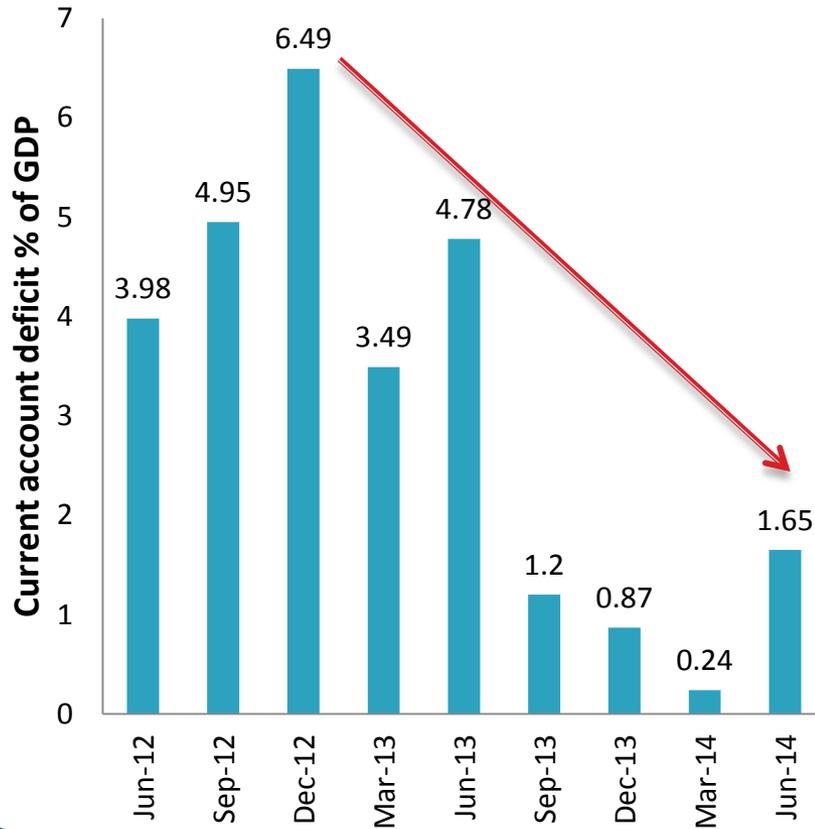
Some respite in Inflation



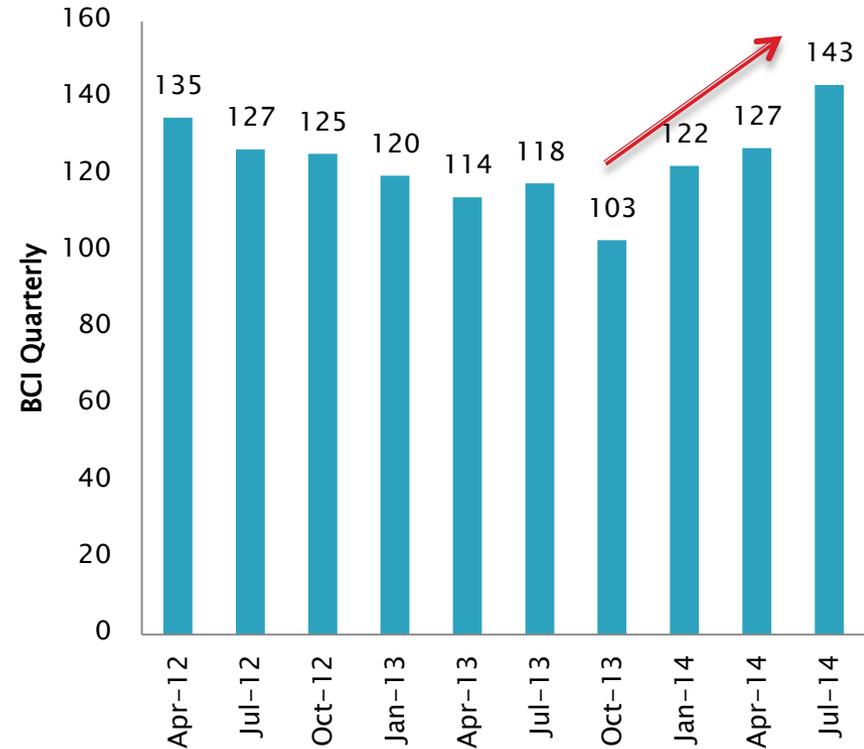
Source: CMIE

Green shoots in the economy

Current account deficit



Business confidence index



Source: CMIE and NCAER

Business Environment: F15 Outlook...Q2 Update

- ▶ Some early signs of revival in demand. However business environment continues to be challenging
 - Economic growth – *Seen improving but still to take root*
 - Inflation – *still not under control*
 - Vehicle finance rates – *Continues to be high*
 - Consumer Sentiment – *Significantly Improved*
 - Product Offering – *Number of new models launched*
- ▶ Key Concerns
 - Commercial vehicle segment continues to be strained but improving
 - High inflation
 - Vehicle finance rates high
 - FOREX rate fluctuation
 - Higher Excise duty rates expected to be reinstated in January 2015

Going Forward

Need to watch economic growth trend, inflation, interest rates, fuel prices and commodity prices.

Also, need to watch Government policy initiatives in terms of project implementation, infrastructure development and revival in mining activity.

Industry needs to grow at a pace much faster than in recent times to get back to growth path.

Green Vehicle Policy of India



Green Vehicle Policy of India: National Imperatives

- A key objective is to address India's increasing crude oil deficit, which poses a serious challenge to its fuel security
- Concerted efforts are required across a range of solutions to meet India's fuel security objective
- Alternate mobility solutions include xEVs such as HEV, PHEV, ER-EV and BEV
- xEV and CNG adoption could help meet our objective of fuel security through significant fuel savings
- Apart from regulations, cost of batteries is a key factor in xEV demand, which is expected to decline substantially by 2020

National Electric Mobility Mission Plan

- ▶ To achieve the desirable outcomes stated in NEMMP 2020, Government of India, will focus on four broad areas:
 - Demand creation through:
 - Incentives (cash subsidy) for various xEVs
 - Mandates for some segments such as public transport vehicles
 - On road vehicles through hybrid retrofitment
 - Domestic manufacturing through:
 - Linking incentives with localization content in a phased manner
 - Various tax rebates such as excise duty, corporate tax
 - Research, Development & Demonstration through:
 - Creating Centre of Excellence for accelerated development and tangible outcomes of research work at component level
 - Pilot projects to test and assess the impact of xEVs and spread awareness
 - Infrastructure creation through PPP or private players for:
 - Power infrastructure
 - Charging infrastructure

National Electric Mobility Mission Plan

- ▶ The Government has set up a robust mechanism for disbursement of incentives, for ensuring quality of products and for value addition in the country.

Title of the scheme

FAME India

A scheme for **F**aster **A**doption & **M**anufacturing of (Hybrid &) **E**lectric vehicles in **I**ndia by 2020 for a sustainable road transportation system to achieve:

- a) National fuel security,
- b) Globally competitive xEV (hybrid & electric vehicle) eco-system and,
- c) Affordable environment friendly transportation

6~7 Million (YoY)

**xEV
Sales by
2020**

**Decrease
in CO₂**

**24 Mi
Ton**

Potential

**xEV
Sales Till
2020**

15 Million

Jobs

250,000~300,000

**Fuel
Savings**

9500 Mi Liters

Tenets of The Scheme

- **Incentives to consumers** based on Life Cycle Analysis (TCO Modeling) and Projected Desirable Sales.
- All segments (Inclusive) and technology types (Technology Neutral). Prioritization of vehicle segments based on **two broad objectives of maximizing potential for fuel savings and potential for mass adoption.**
- Setting-up Qualifying Criteria focusing on **Quality** (Safety and Emissions), **Performance** (Fuel Savings) & **Value Addition** (Make in India)
- Setting-up an e-Enabled Incentive Delivery Mechanism to create efficient and robust mechanism.
- **Fiscal support in terms of tax policies** – import and excise duty rebate aiming at promoting domestic manufacturing
- **PPP in R&D and Charging Infrastructure.**

Thank You

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