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| **Automotive Component Manufacturers Association Of India** |

**PRESS RELEASE**

***A long-term, stable and technology agnostic road map critical for localisation***

* Volatility a new normal; Survival, Revival & Growth to co-exist: ACMA-PwC Joint Study released at the 61st ACMA Annual Session

**New Delhi, August 26, 2021**: Automotive Component Manufacturers Association of India (ACMA), the apex body representing India’s auto component manufacturing industry, today hosted its 61st Annual session on the theme “Living with Volatility - Survival, Revival & Growth”. The annual session was centered on the Indian automotive industries resolve to survive, recover, and explore new growth opportunities, amidst the most challenging humanitarian and business crisis due to the pandemic. The sessions brought spotlight on the way the automotive value chain has collaborated to display remarkable resilience and ensure business continuity.

The annual session was graced by *Dr. Mahendra Nath Pandey, Hon’ble Union Minister for Heavy Industries and Mr. Amitabh Kant, CEO, NITI Aayog* and other eminent dignitaries who shared their views on harnessing newer opportunities for the auto component sector to evolve in prevailing times. The session organized on a virtual platform, witnessed the participation of over 4,000 delegates from the Government and Ministries, OEMs, industry bodies and think tanks.

In addition to the insightful sessions, ACMA in partnership with PwC, released a study on “Best practices in Living with Volatility: Survival, Revival and Growth” to understand how Indian automotive industry is learning to thrive under ever-changing business environment. The study stressed on the need to become more agile, flexible and customer focused to succeed in the new normal. According to the study, the key elements for the survival of the auto component industry is to become financially prudent and efficiently manage the risks. The revival in the industry needs investment towards digital transformation, leadership development, enhanced capabilities, agility in supply chain and stabilize manufacturing as per demand. The growth in the industry is expected to come on the back the CASE disruption, new markets for exports and aftermarkets, focus on innovation and evaluating trade-offs to arrive at future product categories. Over the next decade, the industry is likely to maintain a healthy growth trajectory but may face high- volatility.

Congratulating ACMA for its 61st Annual Session, **Dr. Mahendra Nath Pandey, Hon’ble Union Minister for Heavy Industries, Government of India**, said, *“The last two years have been difficult for the industry due to the global pandemic and therefore we must take stock of the challenges and prepare for the future. A more concerted effort towards Skilling and Localization can help the industry to navigate through the tough times and address many problems. The industry needs to transition to next generation of mobility to stay relevant and focus on localisation and technology development.”*

***Mr. Amitabh Kant, CEO, NITI Aayog,*** *said “We are coming out of the crisis of Covid-19 but will soon be confronted by the crisis of climate change. These challenges can be tackled by going digital, lean, and green.* *The transition of automobiles towards electric mobility is inevitable and the auto industry should*

*strive to make India a global leader in electric mobility. The right approach would be to de-risk supply chains by boosting localisation and reducing import dependency. For India to be a manufacturing nation, the auto and the auto component sector will have to play a defining role. Government initiatives of the Production Linked Incentive scheme and the Scrappage policy will help in this endeavour. Technology disruptions are creating opportunities that must be harnessed by the industry.”*

**Commenting on the 61st Annual Session, Mr. Deepak Jain, President, ACMA** said, *“The last two years have been extremely challenging for the industry with two lockdowns in the wake of the pandemic that threatened to derail our economy and industry.* *The year* *2020-21 witnessed the second successive year of contraction in vehicle sales in India and overall vehicle sales fell by over 13.6%.* *The component industry also witnessed a de-growth of 3%.* *With the second wave of pandemic, the revival of our industry has again been put to test. However, despite several challenges the industry has displayed remarkable resilience with collaborative spirit. We are now witnessing a gradual resurgence of demand for vehicles, and I am hopeful that we will be able to ensure business continuity and return to pre-covid levels of performance, sooner rather than later.”*

The Special Plenary Session was addressed by Mr Ashwani Gupta COO, Nissan Motor Corporation and Mr R C Bhargava Chairman, Maruti Suzuki India. The theme session on Living with Volatility - Survival, Revival & Growth witnessed presentation by Mr. Kavan Mukhtyar Partner and Leader – Automotive, PwC and a keynote by Dr. Pawan Goenka Chairman, SCALE Committee and Former MD & CEO Mahindra and Mahindra. The Annual session also had a panel discussion with eminent industry leaders Mr Vipin Sondhi Vice President, SIAM and MD & CEO, Ashok Leyland, Mr Hemant Sikka, President, Farm & Equipment Sector, Mahindra & Mahindra, Mr Sunil Kakkar Chairperson, SIAM along with many other dignitaries. The session culminated with an address by Mr. Arun Goel, Secretary, Ministry of Heavy Industries.

**About ACMA:** The Automotive Component Manufacturers Association of India (ACMA) is the apex body representing the interest of the Indian Auto Component Industry. Its membership of over 850 manufacturers contributes more than 90% of the auto component industry’s turnover in the organized sector. ACMA is an ISO 9001:2015 Certified Association.

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