



Press Release

Indian automotive aftermarket expected to reach USD ~14 billion by 2028; global aftermarket presents over USD 35 billion exports opportunity: ACMA-EY Study

- *Covering 39 countries across 6 continents, the study gives unique insights on harnessing domestic and international aftermarket opportunities.*
- *In the backdrop of growing market opportunities, ACMA Automechanika New Delhi at Bharat Mobility Global Expo 2024 registers record participation*

New Delhi, January 29th, 2024; Ahead of the **5th ACMA Automechanika New Delhi**, at the **Bharat Mobility Global Expo 2024**, ACMA, the apex body of the Indian auto component industry shared insights from its **Global Automotive Aftermarket Research Report**, conducted in partnership with leading advisory firm **Ernst & Young**.

According to the study, that focuses on seven product categories namely engine parts, suspension & braking parts, transmission parts, braking parts, rubber components, cooling systems and filters, the size of the Indian automotive aftermarket was USD 10 Billion in 2023 and is expected to grow by close to 1.4 times to an estimated USD 14 Billion by 2028. Tyres and consumables such as batteries, coolants, lubricants are however not covered in the study.

The growth of aftermarket in India is fuelled by a steady increase in the vehicle parc, which currently stands at 340 million and is expected to grow at a CAGR of over 8% for the next five years. The Two-Wheelers and Passenger Vehicles parcs are projected to show robust growth from 257 to 365 million units and from around 47 to over 72 million units respectively by 2028. The pre-owned cars sales are projected to grow around 17.5% CAGR until FY 28, fuelled by organised businesses and online platforms. The commercial vehicle parc is expected to grow from 13 million units to 19 million units in 2028. The tractor segment currently contributes close to USD 1 billion to the Indian aftermarket and the parc is expected to grow from 14 million units to over 19 million units during the 2023-28 period.

On the international front, the study covers 39 countries and narrows down its focus to 10 major export markets, identifying over USD 35 billion worth of export opportunities. Five of these markets namely Indonesia, LATAM, Poland, Brazil, Columbia and Bangladesh have matured aftermarket with a substantial number of ageing vehicles while another five markets, i.e., North Africa, South Africa, East Africa, West Africa and UAE are fast developing and offer high growth opportunities. The combined export potential to these ten markets is expected to grow to over USD 35 billion by 2028.

Speaking about the market potential for the Indian aftermarket industry, **Shradha Suri Marwah, President ACMA, Chairperson and Managing Director, Subros Ltd**, said, "*The insights from the Global*

Automotive Aftermarket Research highlight unique opportunities for the Indian auto component aftermarket players. The Indian domestic aftermarket, valued at USD 10 billion in 2023, is poised to surge almost 1.4 times over the next 5 years on the back of growing vehicle demand and promising capabilities of the Indian aftermarket players. Likewise, key ten international markets offer export opportunities of over USD 35 billion. The Indian components suppliers need to focus on building partnerships with international buying groups to gain market access, invest in marketing and branding, increase digital presence, and build collaboration amongst the industry players to provide their joint offerings to tap the global market opportunities.”

Expressing satisfaction on the tremendous response to the exhibition, **Vinnie Mehta, Director General of ACMA**, said, *“The Indian auto component makers witnessed a promising 7.5% growth in the first half of FY24 due to increased demand for pre-owned vehicles, preferential shift towards larger vehicles and the increasing formalization of the repair and maintenance market. On the back of fast-growing aftermarket opportunities, we are thrilled with the response for participation, from both domestic and international players, at the ACMA Automechanika New Delhi 2024. The event gives auto component manufacturers from across the world a platform to connect and demonstrate capabilities in the aftermarket. The exhibition has been seamlessly integrated into Bharat Mobility Global Expo 2024.”*

The 5th edition of ACMA Automechanika New Delhi from February 01 to 03, 2024, in Bharat Mandapam, Pragati Maidan, New Delhi will witness 500+ exhibitors from more than twelve nations, with dedicated country pavilions from Japan, Germany, Korea, Taiwan and Thailand, showcasing their aftermarket product innovations, technological advancements, and sustainable mobility solutions.

In addition, another close to 100 exhibitors will be participating in two exclusive Auto Components Pavilions showcasing products and solutions for OEMs.

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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