

# Automechanika Dubai

7 – 9 June 2021 | DWTC

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# Automechanika Riyadh

11 – 13 October 2021

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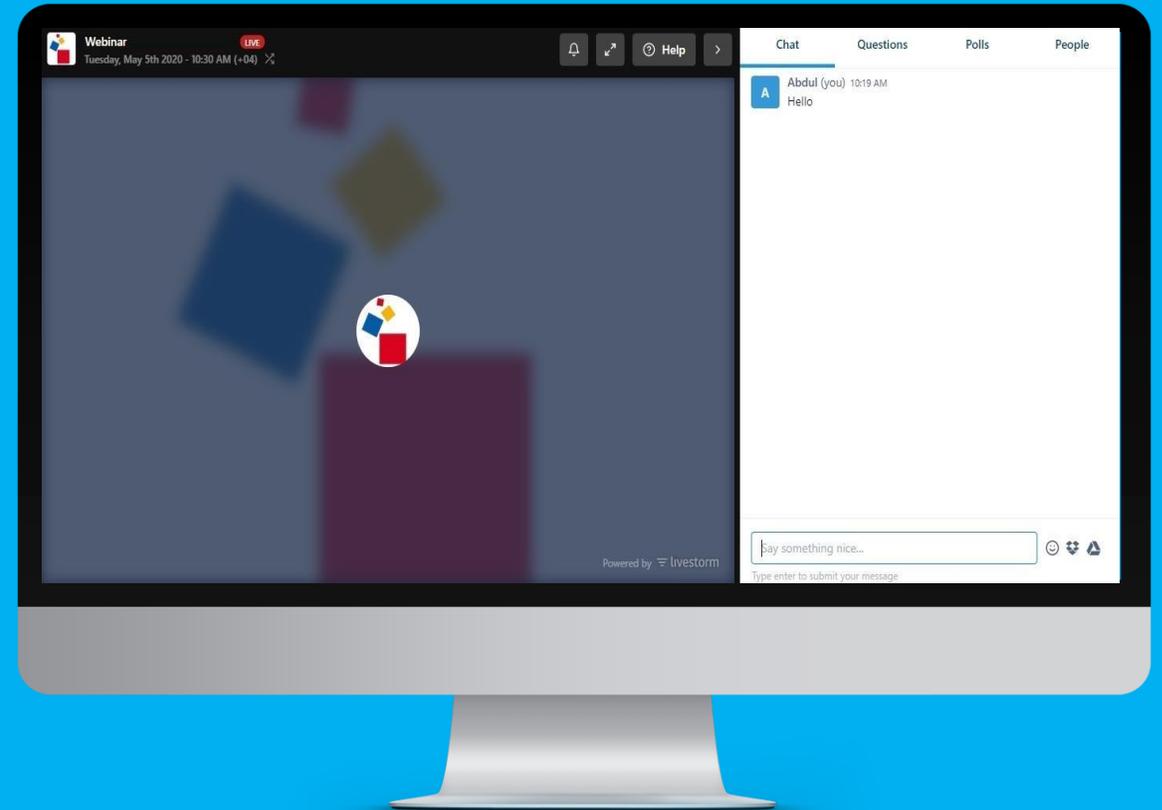
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# Indian Automotive Industry – Pandemic Impact



## Agenda



**VINNIE MEHTA**  
Director General  
ACMA



**RAMA SHANKAR PANDEY**  
Managing Director  
Hella India Lighting Ltd.



**ABDELRAHMAN KURDIEH**  
Project Manager &  
Webinar Host  
Messe Frankfurt ME

# Automechanika Dubai

7 – 9 June 2021

## 2019 Show Statistics

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**32,720**

Trade Visitors from



**141**

Countries



**53%**

International



**1,880**

Exhibitors from



**63**

Countries



**92%**

International

## Automechanika Dubai

- Key Show Highlights:
  - Competencies:
    - Truck, motorcycle & agriculture
  - Academy:
    - Learning & development area of the show
  - Modern workshop:
    - Area for our garage/workshop audience – product demos & trainings
  - Product focus:
    - Body & paint
    - Oils & lubricants

## Automechanika Riyadh 2020

- Exhibitors
  - 87 exhibitors from 13 countries
  - 52 exhibitors from 11 countries (COVID-19)
  - Country Pavilions: Turkey, USA, South Korea, China, Hong Kong, Taiwan
  
- Visitors
  - 2,470 visitors
  
- New show dates 11-13 October 2021

# Indian Automotive Industry – Pandemic Impact





**automechanika**  
DUBAI



Indian Automotive Industry -  
Pandemic Impact

11 August 2020 | 2 pm GST / 1 pm KSA time



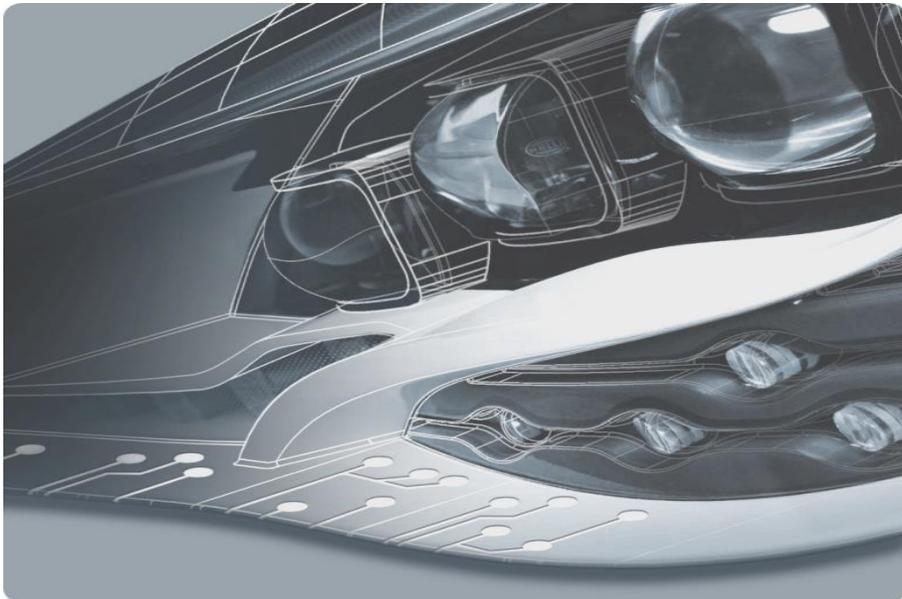
Vinnie Mehta  
Director General,  
ACMA



Rama Shankar Pandey  
Managing Director,  
Hella India Lighting Ltd.



Abdelrahman Kurdieh  
Project Manager & Webinar Host,  
Messe Frankfurt Middle East



# Indian Auto Aftermarket Industry: Challenges Post Covid19

By Rama Shankar Pandey  
MD- Hella India Lighting Ltd.

# Poll Question 1

# Automotive Aftermarket – India

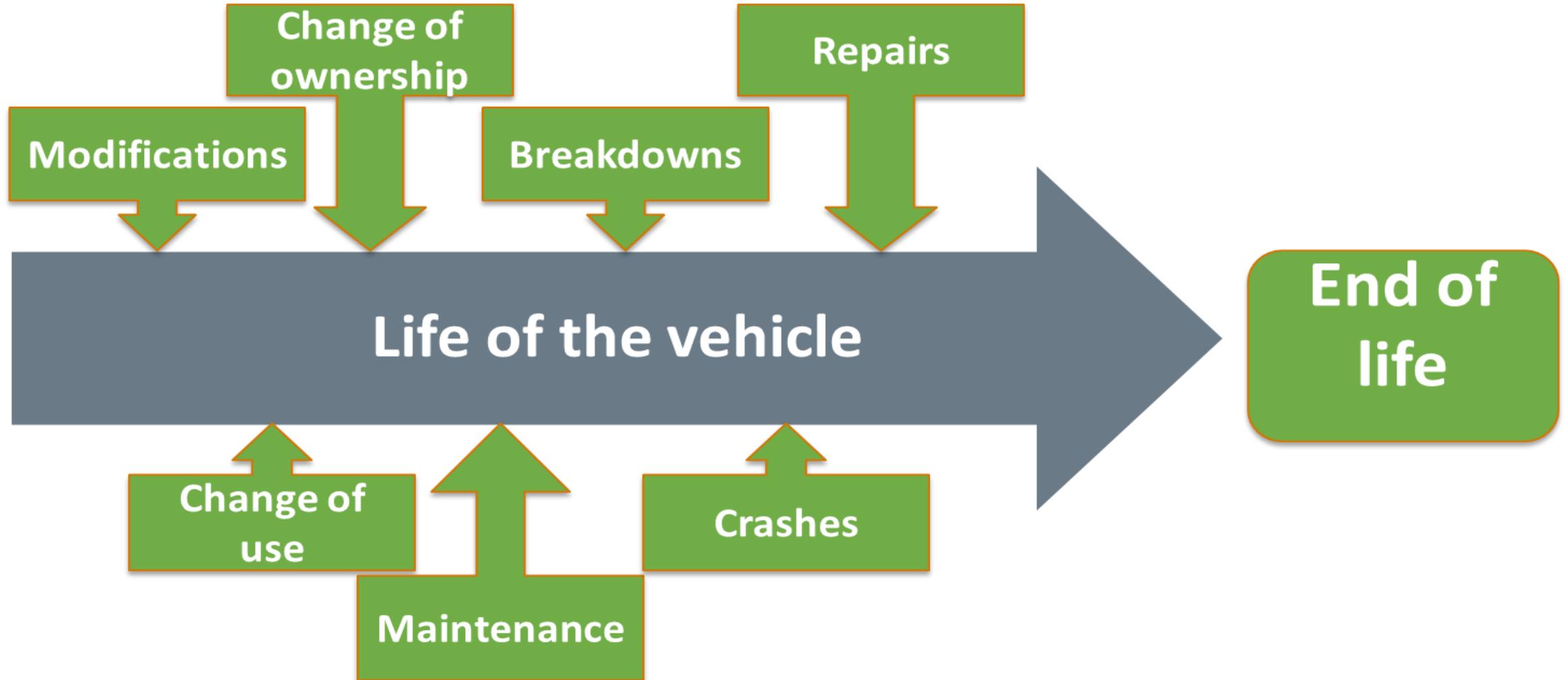
## India – A market in transition || Complete Contrast from Europe



Car Park																								
Channel	<p>Consolidated Distribution Houses</p> <table border="1"> <caption>Largest distributors</caption> <thead> <tr> <th>Distributor</th> <th>Sales, EUR millions</th> </tr> </thead> <tbody> <tr> <td>Trost</td> <td>667</td> </tr> <tr> <td>Wessels + Müller</td> <td>517</td> </tr> <tr> <td>Stahgruber</td> <td>410</td> </tr> <tr> <td>PV Automotive</td> <td>330</td> </tr> <tr> <td>Knoll</td> <td>165</td> </tr> <tr> <td>Johannes J. Matthies</td> <td>159</td> </tr> <tr> <td>Coler</td> <td>150</td> </tr> <tr> <td>Carl Werthenbach</td> <td>130</td> </tr> </tbody> </table> <p>Stahgruber bought PV Automotive in 2013</p>	Distributor	Sales, EUR millions	Trost	667	Wessels + Müller	517	Stahgruber	410	PV Automotive	330	Knoll	165	Johannes J. Matthies	159	Coler	150	Carl Werthenbach	130	<p>Fragmented Distribution &gt;28000</p> <table border="1"> <tr> <td>Wholesaler</td> <td>8,000</td> </tr> <tr> <td>Semi-wholesalers</td> <td>20,000</td> </tr> </table>	Wholesaler	8,000	Semi-wholesalers	20,000
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Wholesaler	8,000																							
Semi-wholesalers	20,000																							
Workshop	<p>Multibrand Organised &amp; Modern</p>	<p>Highly Unorganized Workshop OES-20K, Semi Unorganised-60K Unorganized – 300K</p>																						
Parts	<p>Organised Information Educated Customer</p>	<p>No Industry recognized IAM Catalogue, 36% of the market is Counterfeit. Profitability destroyed due to IAM channel used as dumping channel for scrap &amp; Rejections by most of the local Tier 1 suppliers to OEM's.</p>																						

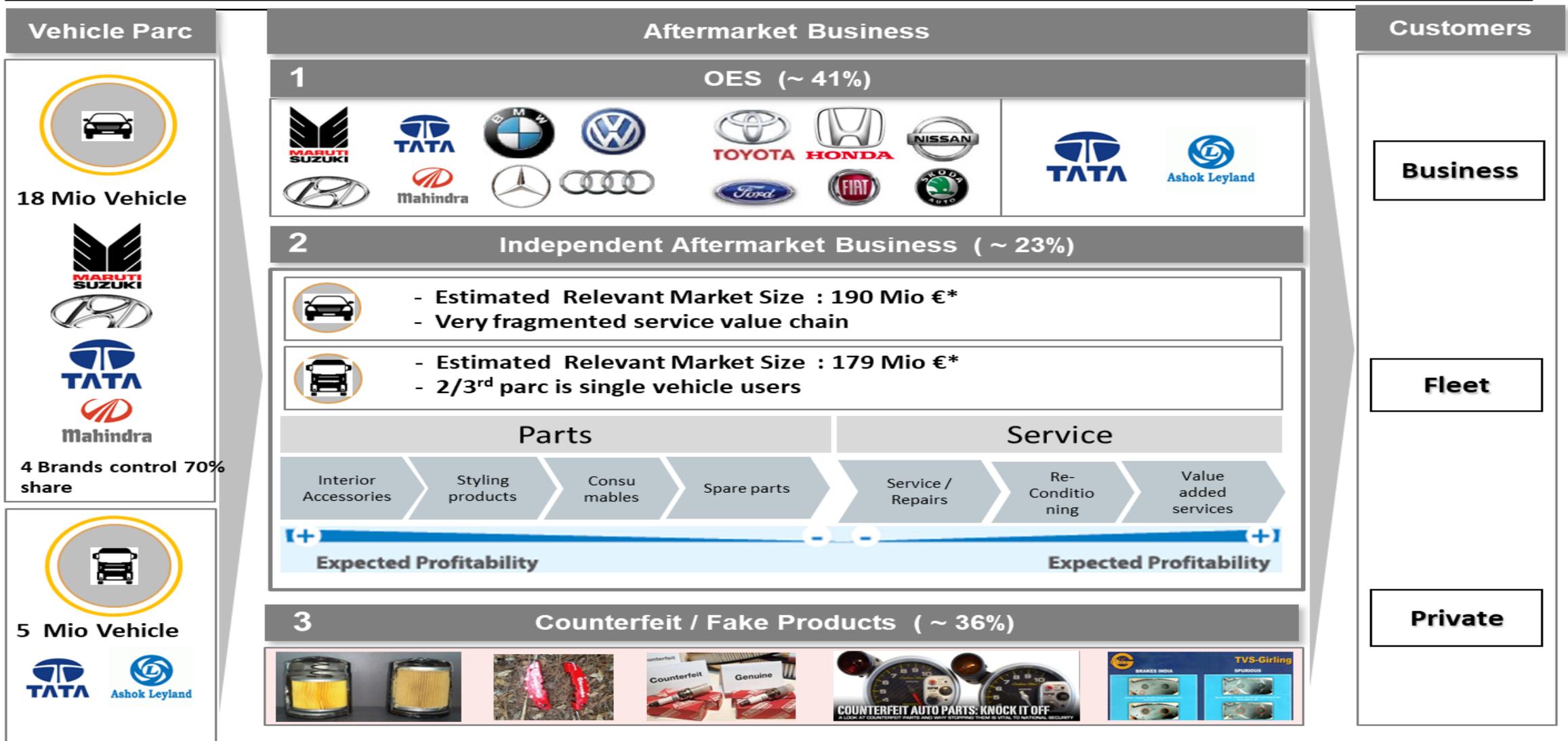
# ACMA AFTERMARKET COMMITTEE

## AFTERMARKET-WHOLE LIFE VEHICLE INDUSTRY



# Automotive Aftermarket – India

## Automotive Aftermarket – Good opportunity but highly Unorganised



\*Market Size in Bio. € for Tier1 Brands: Nielson-0.4, ACMA-0.8



# Automotive Aftermarket – India

## Automotive Aftermarket – Good opportunity but highly Unorganised

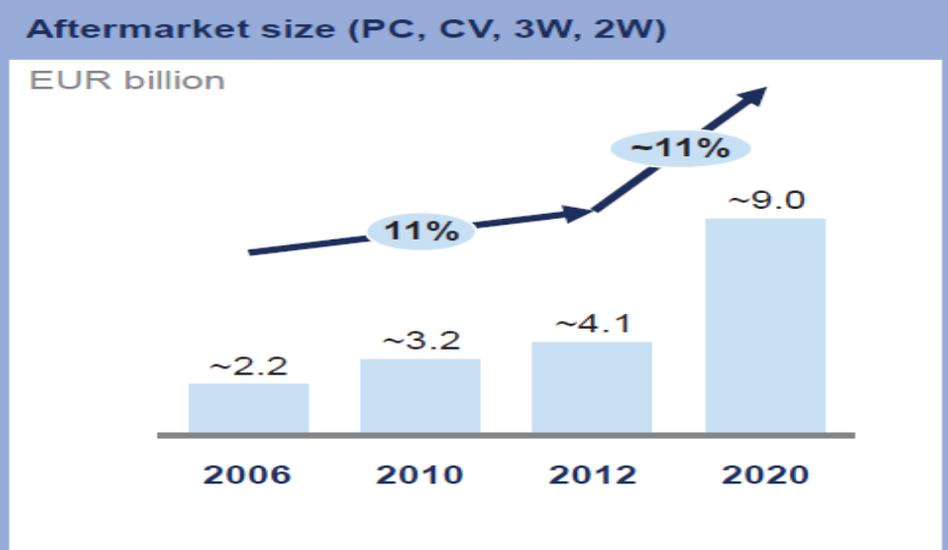
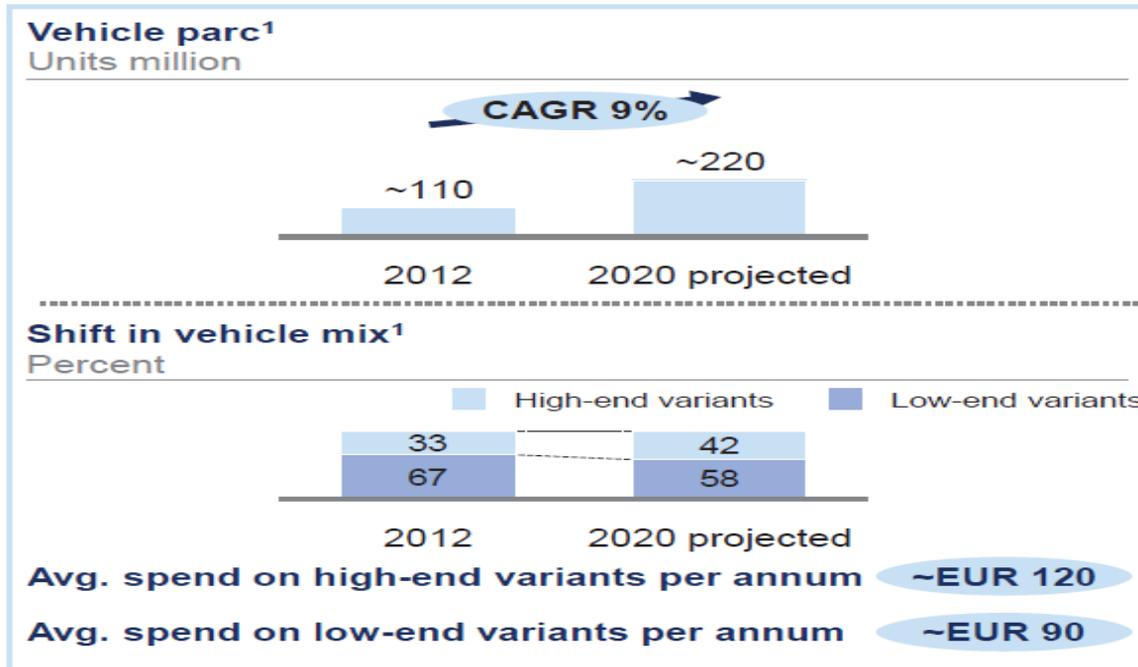
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# Automotive Aftermarket – India

## Automotive Aftermarket – Good opportunity but highly Unorganised

Parts aftermarket is expected to grow a strong ~11% annually to almost 9 EUR billion by 2020



<sup>1</sup> Vehicle parc and shift in mix data for cars is used for this analysis

# Automotive Aftermarket – India

## Challenges Post Covid19

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# Automotive Aftermarket – India

## Challenges Post Covid19



**To win the Corona War, Our Collective Wisdom has to Travel  
Faster than the Virus....**

# Pace of Change

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We tend to Overestimate the impact of big Changes in the short run and Underestimate in the long run.

# Poll Question 2

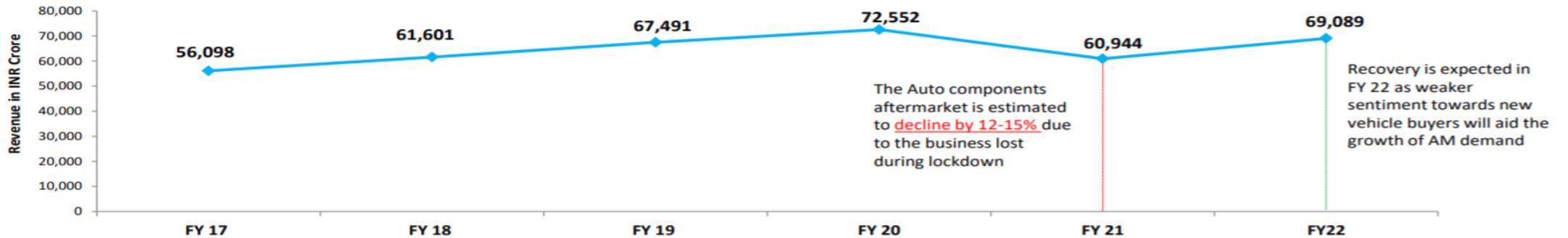
# Automotive Aftermarket – India

## Challenges Post Covid19

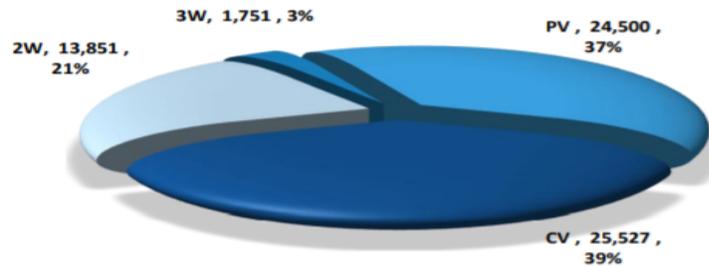
### Indian Auto Components Aftermarket, FY 2020

The total auto component aftermarket in India was estimated to be around INR 72,552 crores and it was estimated to surpass the INR 75,000 crore by FY 21, but with the COVID pandemic the market is expected to decline by about 12 – 15% in FY 21

Auto Component Aftermarket Potential in INR Crore



Auto Components Aftermarket Revenue Split by Vehicle Segment (in INR crore), 2020



FY - Financial Year (April to March)

Does not include Tyres, Lubes and Batteries

- The PV and CV segments accounts for almost 70% of the entire aftermarket revenue
- However, the PV segment is estimated to take the biggest hit during the COVID phase with significant decrease in Shared Mobility users and also personal car owners
- Indian Automotive aftermarket is estimated to revive in FY 2022 and grow by about 13% to INR 69,000 crores

Source: ACMA, Frost & Sullivan

# Pace of Change

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We tend to Overestimate the impact of big Changes in the short run and Underestimate in the long run.

# Automotive Aftermarket – India

## Challenges Post Covid19

### Share of Vehicles Serviced

It is currently estimated that around 55% of the passenger cars in India in FY2020 are loyal to the OE service channel which includes vehicles that are serviced under warranty



- OEM authorized service networks are working aggressively to retain service customers by
  - Offering enhanced customer experience in the service centers
  - Attractive extended warranty packages
  - Getting repairs done under insurance is far easier in the OE service channel
- **The share of, and capabilities of organized independent garages is expected to increase thereby compensating for capacity constraints in the OE service channel**
- However, the number of vehicles over 8 years of age is expected to grow from around 9.6 million in 2019, to around 11.5 million in 2023
- **Significant improvements in vehicle technology particularly in terms of vehicle electronics and implementation of BS4 & BS6 emission norms will affect the independent garages**
- In the coming years, Independent garages may require considerable up gradation in order to stay relevant in the market

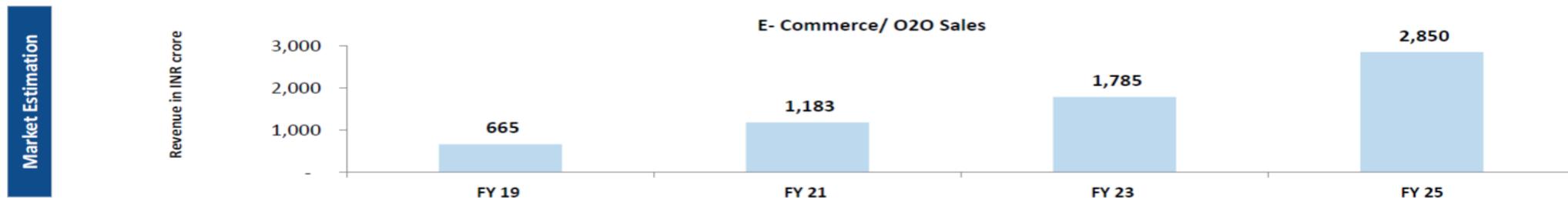
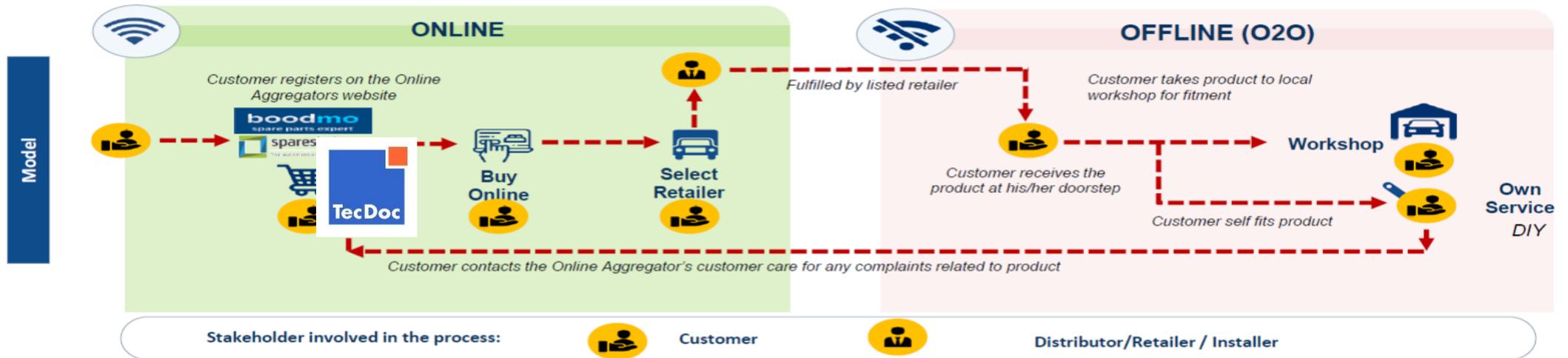
Source: Frost & Sullivan

# Automotive Aftermarket – India

## Challenges Post Covid19

### E-commerce Model in the Auto Components Industry – India

The e-commerce market for auto components is expected to surge in the near future due to the current social distancing practice during the ongoing pandemic and this practice is expected to be followed post that as well due to the convenience and variety it offers



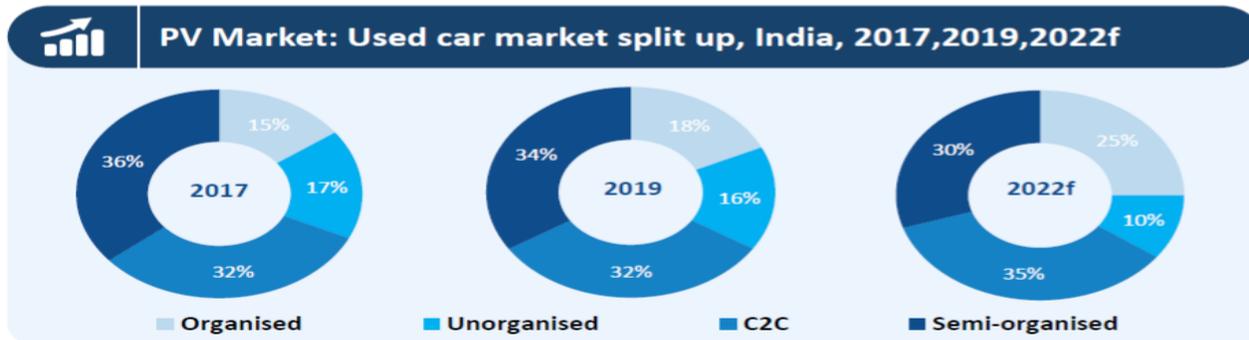
Source: Frost & Sullivan

# Automotive Aftermarket – India

## Challenges Post Covid19

### Pre-Owned Vehicles / Cars market in India to grow by 50% in the next 3 years

The Used Car market in India is expected to reach 6 Million units by FY22, being 1.8x the size of new car market.



- In CY19, used car sales in India reached 4.2 million units and this is expected to reach 6 million units by CY22 by growing at a CAGR of 12%
- Used car sales which currently is 1.2x the size of the new car sales is expected to become 1.8x by CY22
- ‘Organized channel’ of the used car market which has a share of 18% in 2019 is expected to grow and reach 25% by 2022

Source: Frost & Sullivan

# Automotive Aftermarket – India

## Challenges Post Covid19

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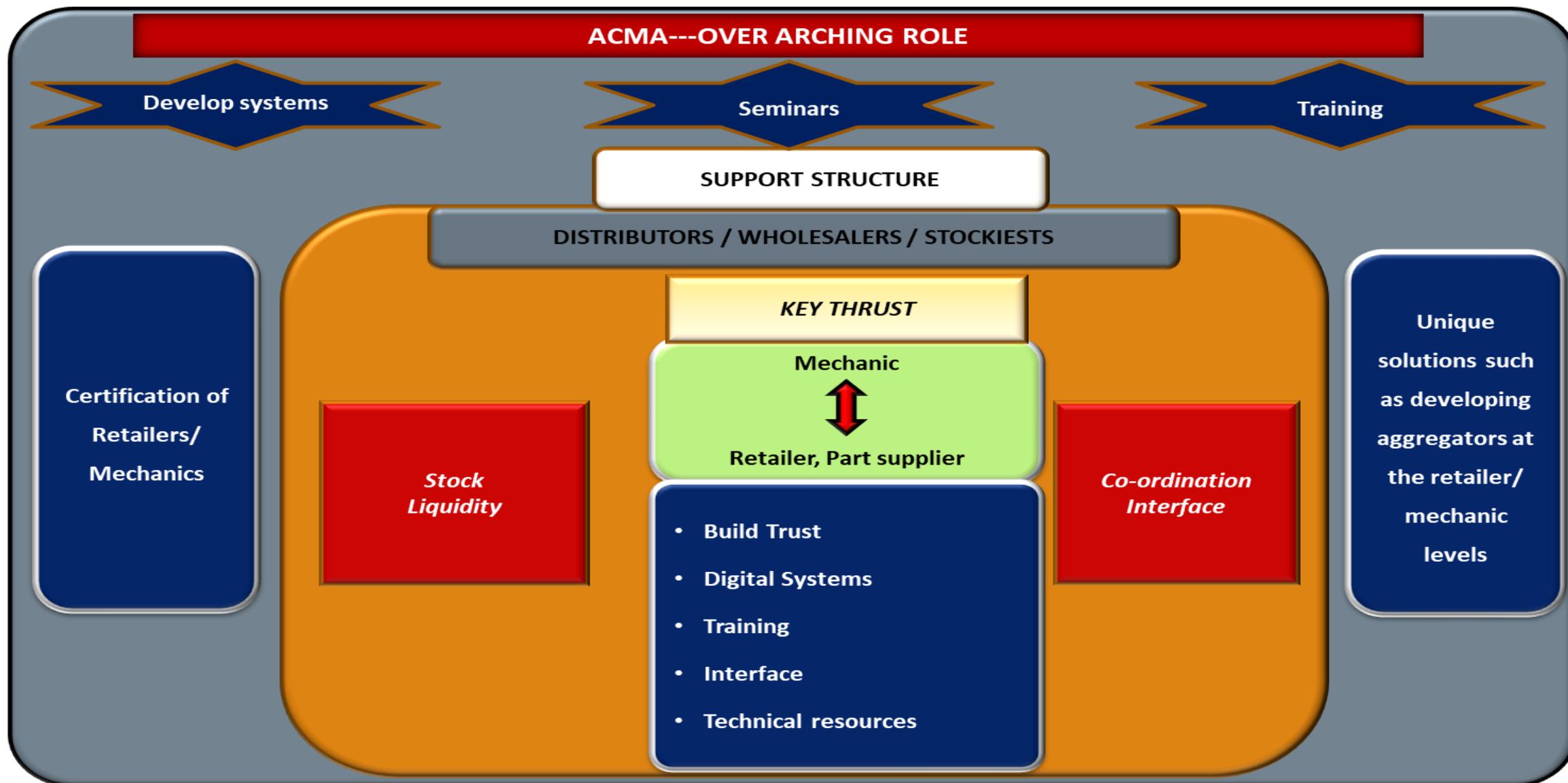


# Pace of Change

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We tend to Overestimate the impact of big Changes in the short run and Underestimate in the long run.

## THE PURE AFTERMARKET WILL NEED SUPPORT -- DIGITAL SYSTEMS AND SOLUTIONS WILL BE CRITICAL TO SECURE AND GROW THE MARKET



# Automotive Aftermarket – India

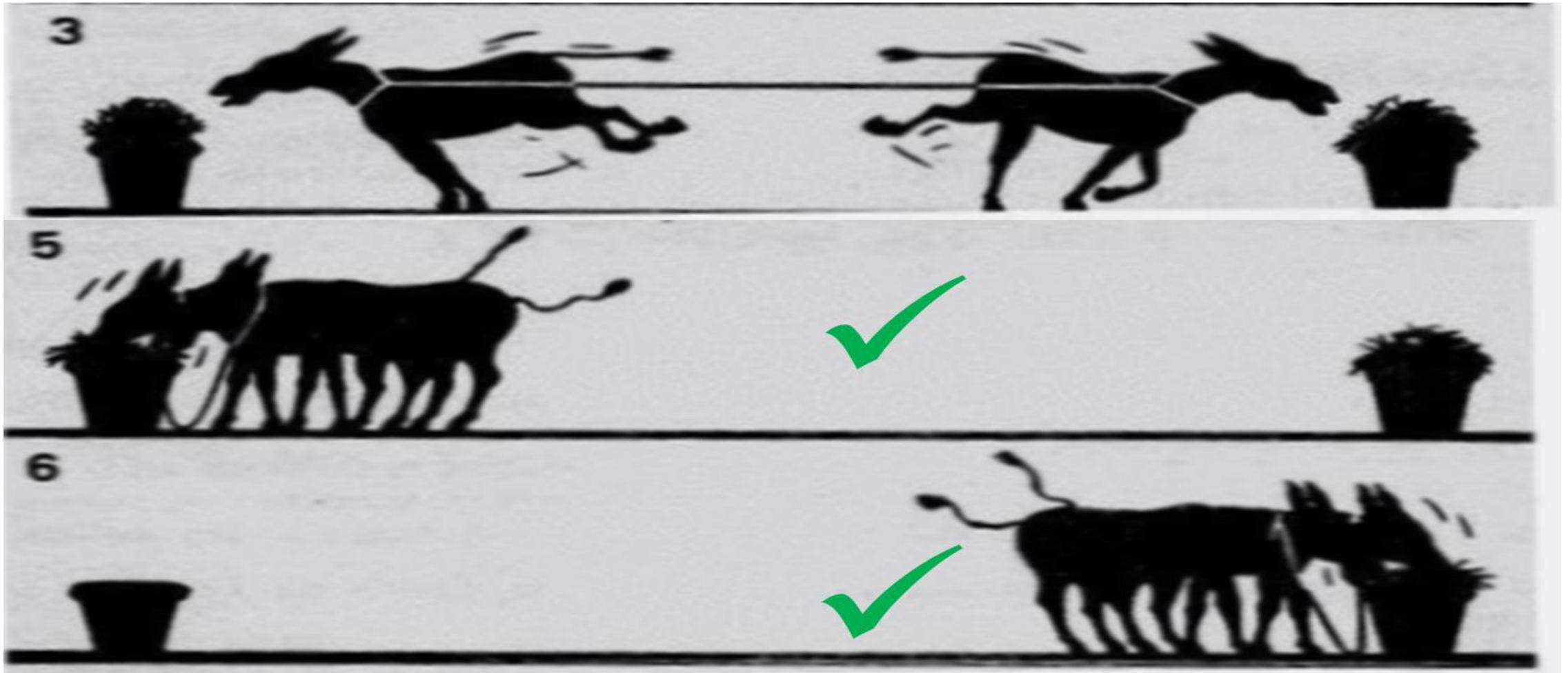
## Challenges Post Covid19



**1<sup>st</sup> Wisdom – Your Trust & Partnership with Every Stakeholder – Brands, Retailers, Mechanics, Garages will decide your success**

# Automotive Aftermarket – India

## Challenges Post Covid19



# Automotive Aftermarket – India

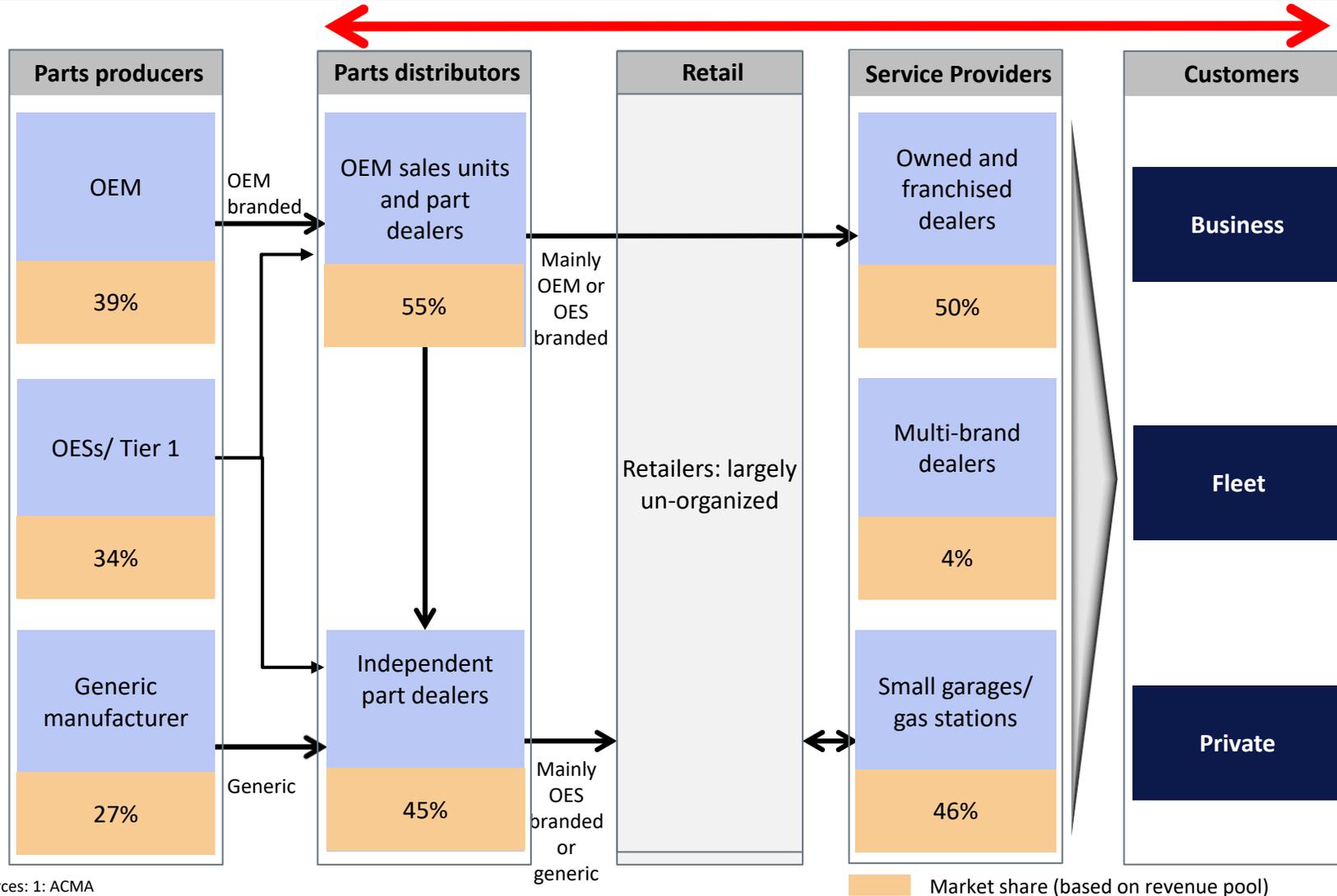
## Challenges Post Covid19

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# Trust & Partnership

# Automotive Aftermarket – India

## Challenges Post Covid19



Sources: 1: ACMA

# Automotive Aftermarket – India

## Challenges Post Covid19

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# Automotive Aftermarket – India

## Challenges Post Covid19



**2<sup>nd</sup> Wisdom – Your Business Model will decide**  
**Your Success**

# Automotive Aftermarket – India

## Challenges Post Covid19

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Are you a Middle Man?  
Who is Getting Disrupted?

Deeper the Value Chain, Higher the Entrepreneurial Earning

As unique the Value Creation , Sustainable is Entrepreneurial Earning

# Automotive Aftermarket – India

## Challenges Post Covid19

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Highest Chances of Differentiation

Brand- Paranthé Wali  
Galli



No Chance of Differentiation

Brand- Indian Oil

# Automotive Aftermarket – India

## Challenges Post Covid19

Lower Chance of Differentiation



Potatos, Tomatos, Onion:  
Mandi Wise Similar Prices

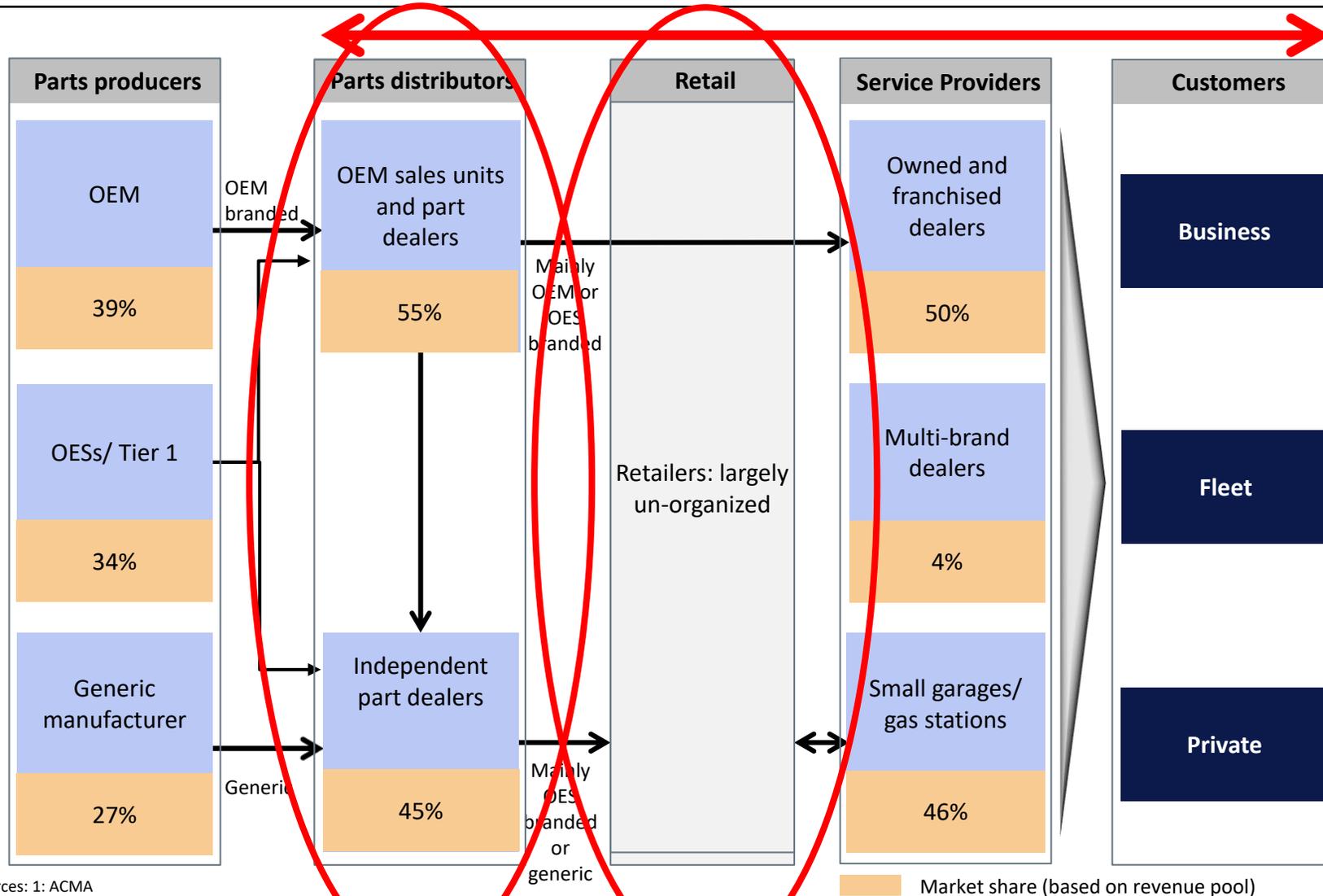
High Chances of Differentiation



Green Vegetables:  
Every Shop Different Prices

# Automotive Aftermarket – India

## Challenges Post Covid19



Sources: 1: ACMA

# Automotive Aftermarket – India

## Challenges Post Covid19



# Poll Question 3

**Organize,  
Standardise,  
Digitise**

# Automotive Aftermarket – India

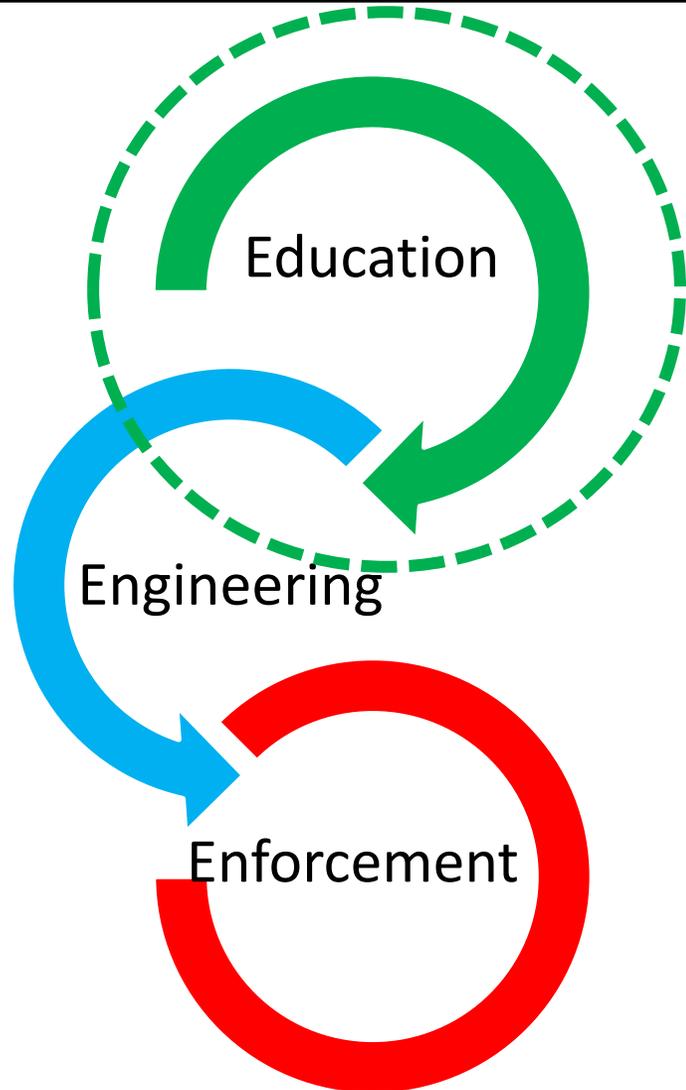
## ACMA Vision- Organize – Standardise-Digitise the IAM

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- **Build Stronger Aftermarket Trade Channel & Professional Community**
  - Build a strong community of **Distributors, Retailers, Workshops, Technicians, Aftermarket Professionals, Experts, Regional managers, Area Managers** and seek support from members.
  - All Aftermarket National & Regional Conferences to involve all Channel Partners, **Large Distributors, Regional Company Professionals** should be involved.

# Automotive Aftermarket – India

## ACMA Vision – ACMA Safer Drives to Arrest Road Deaths



**SAFER**  
**DRIVE**  
**ACMA**

Trade Associations

Technicians  
/Workshops

Retailers  
/Distributors

# Automotive Aftermarket – India

## ACMA Vision – ACMA Safer Drives to Arrest Road Deaths



# ACMA National Convention on Aftermarket *Innovative & New Business Models in Aftermarket*



# Alarming Road Deaths

## 4 E's of Road Safety: Education



# Alarming Road Deaths

## 4 E's of Road Safety: Education



**SAFER  
DRIVES**  
ACMA



# Alarming Road Deaths

## 4 E's of Road Safety: Education



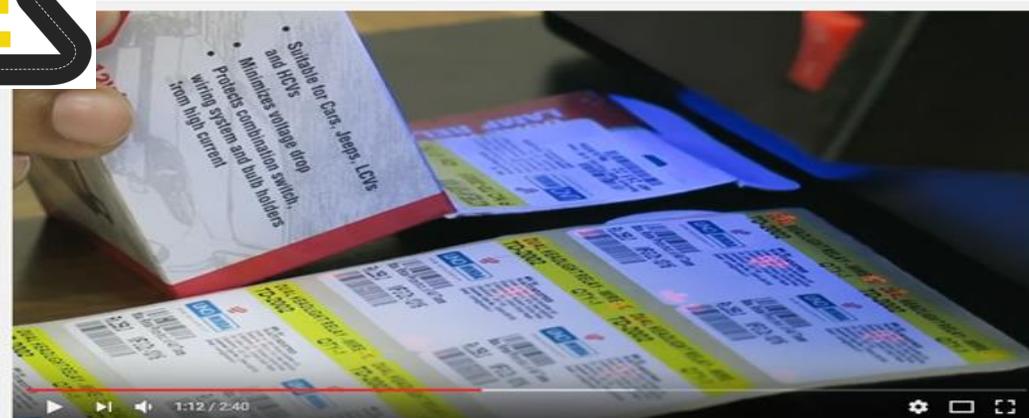
ACMA Safer Drives | Lucas TVS



ives | Makino Automotive



ACMA Safer Drives | Bosch India



ACMA Safer Drives | Uno Minda Group

**SAFER**  
**DRIVES**  
ACMA



# Automotive Aftermarket – India

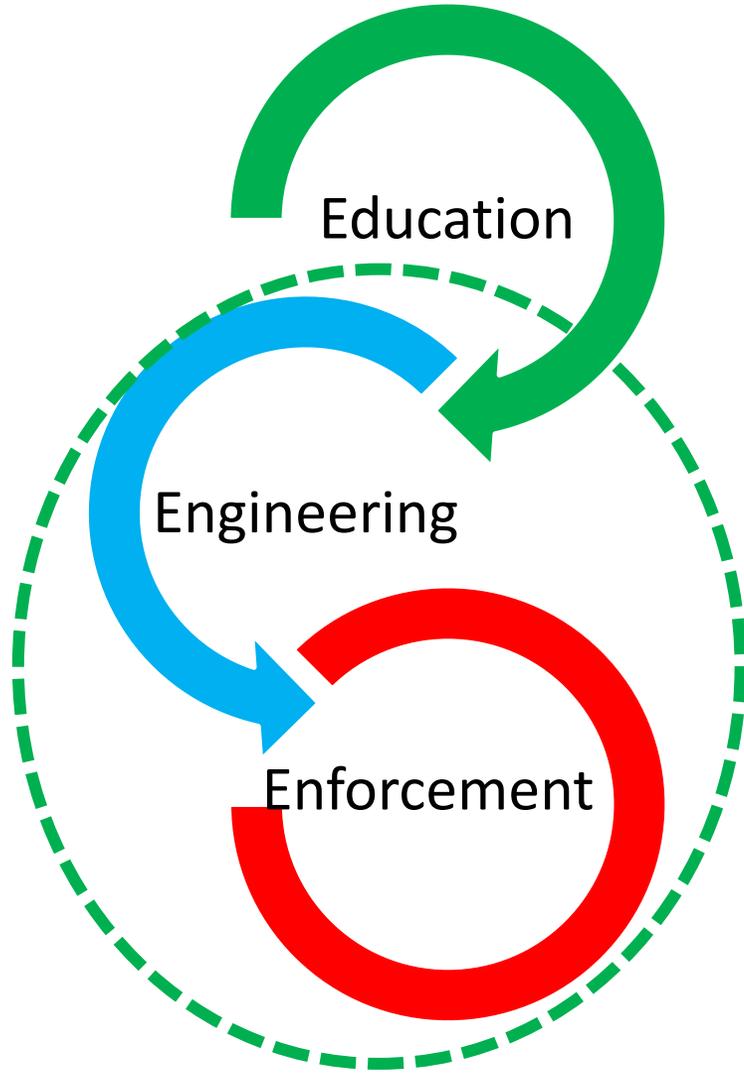
## ACMA Vision

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- **Facilitate Creation of Independent Aftermarket Brand as Genuine Spare Parts for SAFER DRIVES**
  - Collective Fight against Spurious, Counterfeits and Substandard Products and services with the aim of Road Safety and improve visibility of ACMA aftermarket companies against Unorganised Parts & be at the same level of OES in terms of IAM-Genuine as Brand. ACMA Safer Drive is being institutionalized for the same.
  - On Line , Digital, Social Media Campaign for - **“I am Genuine”** including Industry Toll Free No. for General Customer Support.
  - Mandatory Standard Setting for Indian Aftermarket: **It has been included in the New Road Safety Bill for all Safety Critical Parts. Rules and Monitoring Mechanism to follow.**

# Automotive Aftermarket – India

## ACMA Vision – ACMA Safer Drives to Arrest Road Deaths

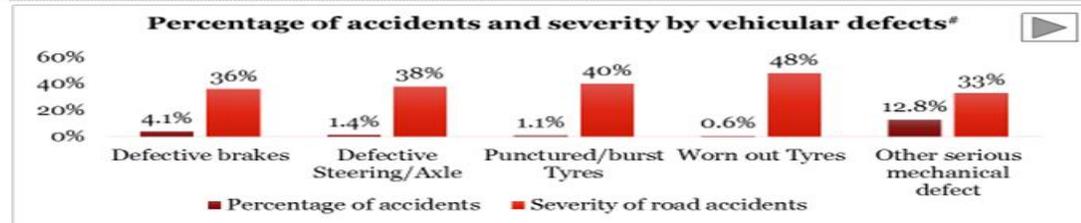


Organize,  
Standardise,  
Digitise

# Automotive Aftermarket – India

## ACMA Vision – To have & Enforce Aftermarket Standard

### Sub-standard components and poor service quality contribute to accidents due to vehicular defects



#### Key observations

- ~18% of overall road accidents\* in India include vehicular defects (excluding tyre)
- Severity of accidents (road accident related deaths per 100 accidents) due to vehicular defects reported is also high, in the range of 30 – 50%

Under the direction of MoRTH, ACMA commissioned this study to develop guidelines for monitoring and enforcement of standards for parts sold in aftermarket

ACMA PwC Strictly private and confidential 10 June 2019 3

### Learnings from benchmarking suggest that a single government agency is responsible for drafting and implementation of standards

<b>Institutional Structure</b>	<ol style="list-style-type: none"> <li>1. <b>Single agency</b> for development &amp; implementation e.g. Germany, USA, China, Korea</li> <li>2. <b>Two-tiered implementation structure</b> – Central &amp; State level e.g. USA, China, Pharma</li> </ol>
<b>Laws &amp; regulations</b>	<ol style="list-style-type: none"> <li>3. <b>Mandatory certification</b> and marking for critical components e.g. USA, Germany, China, Korea</li> <li>4. <b>Mandatory registration</b> for manufacturers of parts e.g. USA</li> <li>5. <b>License</b> to manufacture, import, sales &amp; distribution in <b>Pharma</b></li> </ol>
<b>Standards</b>	<ol style="list-style-type: none"> <li>6. <b>Uniform standards</b> for OE &amp; aftermarket – all countries</li> </ol>
<b>Implementation mechanism</b>	<ol style="list-style-type: none"> <li>7. Dedicated <b>intelligence cell</b> e.g. <b>Pharma</b> in India</li> <li>8. <b>Designated agencies</b> for inspection &amp; monitoring e.g. Germany, China, Korea</li> <li>9. <b>Representatives at ports</b> for import check in <b>Pharma</b></li> <li>10. <b>Huge penalties</b> depending on the nature of violations, and sometimes <b>imprisonment</b> e.g. China, USA, <b>Pharma</b></li> <li>11. <b>Safety helpline</b> e.g. USA</li> </ol>

ACMA PwC Strictly private and confidential 10 June 2019 5

### We benchmarked regulatory practices in Aftermarket across countries and Pharma sector in India



ACMA PwC Strictly private and confidential 10 June 2019 4

### In order to implement the standard guidelines, MoRTH may consider either focusing on 25 safety critical parts in AIS 037 or a more holistic list of 210 parts outlined by ACMA

Sub-option (i)		
Focus on 25 safety critical parts under AIS-037		
#	Component description	#
1	Safety Glass	15
2	Horns	16
3	Tyres	17
4	CNG vaporizer/Regulator	18
5	LPG Vaporizer/Regulator	19
6	Bulb	20
7	Rear view mirror	21
8	Safety belt	22
9	Wheel rims for M & N category	23
10	Lighting and light signalling devices for M & N category	24
11	Lighting and light signalling devices for L category	25
12	Retro-reflectors	
13	Warning triangle	
14	Lighting and light signalling devices for L category	
		15
		16
		17
		18
		19
		20
		21
		22
		23
		24
		25

ACMA PwC Strictly private and confidential 10 June 2019 7



# Automotive Aftermarket – India

## ACMA Vision – To have & Enforce Aftermarket Standard



Organize,  
Standardise,  
Digitise

# Automotive Aftermarket – India

## ACMA Vision – India 1<sup>st</sup> Aftermarket Catalogue

### Hella India Lighting Ltd. and TecAlliance team up

in **COMPONENTS** **CORPORATE** **INDUSTRY NEWS** by **motorindia** — June 5, 2020 at 1:52 pm |

**ACMA joins in support to advance the data digitization of the Indian automotive aftermarket.**

TecAlliance, one of the world's leading data specialists in the Independent Automotive Aftermarket (IAM), and Hella India Lighting Ltd., one of the first TecAlliance data suppliers in India, are working together to prepare the Indian TecDoc Catalogue to promote the digitization of the Indian automotive aftermarket. The Indian Automotive Component Manufacturer Association (ACMA) is supporting this important activity to face the challenges in the value chain of the Indian automotive aftermarket.



Rama Shankar Pandey, Managing Director Hella India Lighting Ltd. and Chairman of ACMA.



#### Joint Initiative with Acma to bring Standardized TecDocCatalogue for IAM

##### Brands in Indian Catalogue

- Global Brands Catalogue Published - 2
- Global Brands India Data Exchange Under progress - 8
- Domestic Brand Data Exchange in Progress - 8

##### Additional Future Plans in India

- Registration Number based parts search
- Auto population data

##### FACTS

- Readily available perfected Vehicle table for Passenger cars
- Completed Vehicle tables for 2 & 3 wheelers, Commercial Vehicles and Tractors Tables in progress.
- **ONE CATALOGUE** for Workshops, Distributors, Retailers, Fleets, Insurance claims and Survey Professionals
- Plan to reach 50 K users in the above segment progressively
- Mega Publish of **TECDOC INDIA** catalogue in **AUTO COMPONET EXPO 2020**.

# Automotive Aftermarket – India

## Challenges Post Covid19

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Thank You

# Thank you for joining!



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2021