

11th January 2018
New Delhi

State of the Indian Automobile Industry

Quarterly Review : Q3 FY18

SIAM

Society of Indian Automobile Manufacturers

Presentation Outline

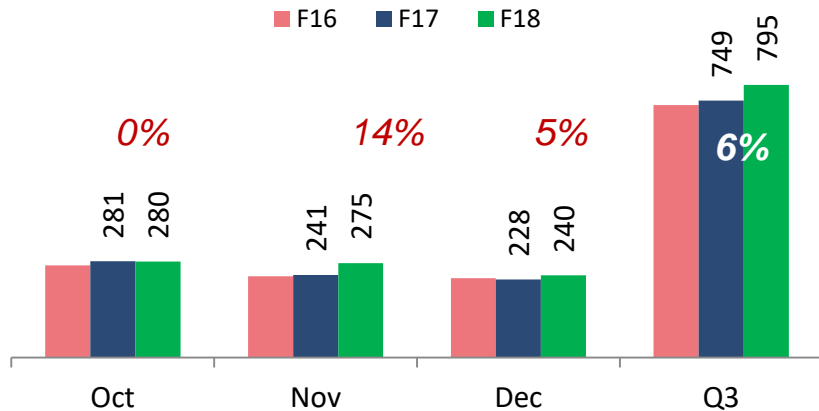
- ▶ Q3 F18 Performance & Growth
 - Domestic Market Performance
 - Exports Performance
- ▶ Business Environment
- ▶ F18 Outlook

Q3 F18 Performance & Growth

Domestic Sales Q3 F18

Passenger Vehicle Sales '000s

F16 F17 F18



PVs –Trends

PVs= Cars + UVs + Vans

- 6% in Q3 F18 over Q3 F17
- 2% in Q3 F17 over Q3 F16

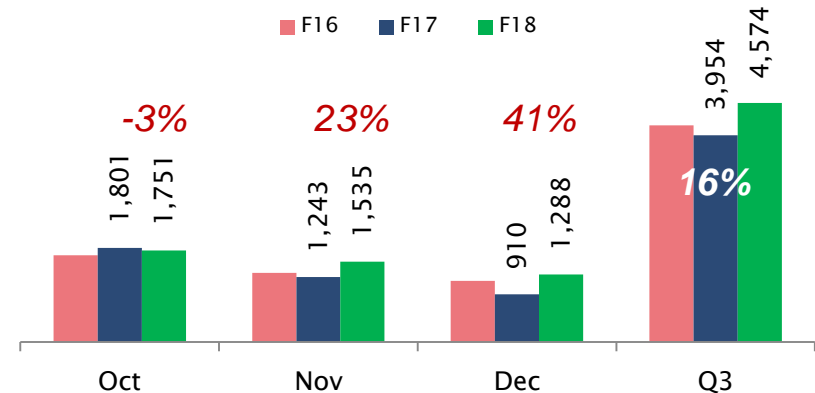
2Ws –Trends

2W= Scooters+ Motorcycles + Mopeds

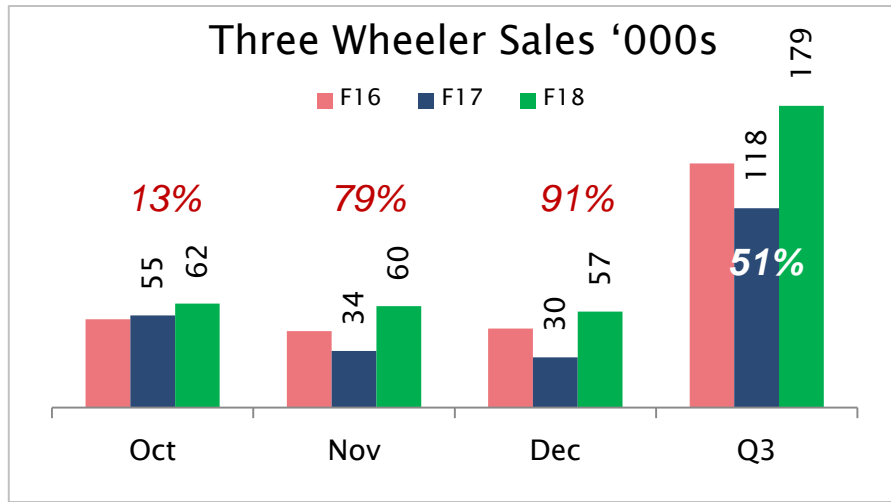
- 16% in Q3 F18 over Q3 F17
- -5% in Q3 F17 over Q3 F16

Two Wheeler Sales '000s

F16 F17 F18



Domestic Sales Q3 F18



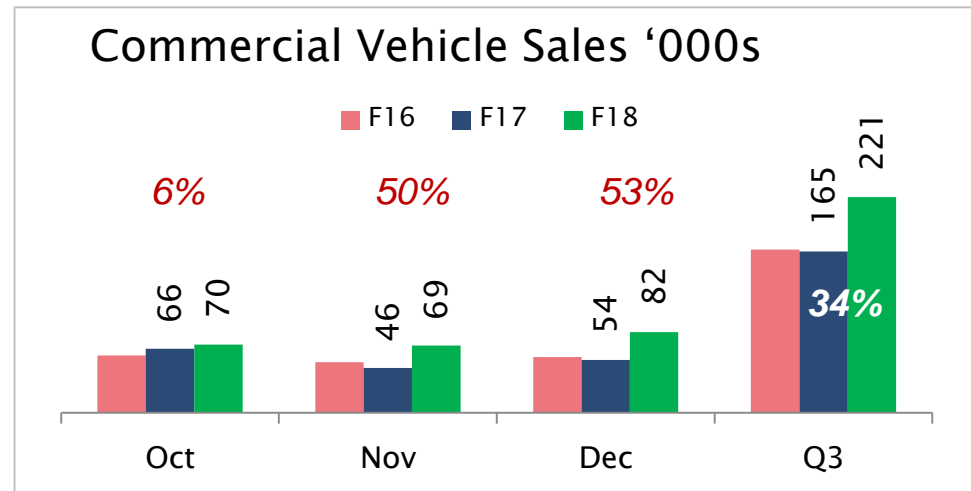
3Ws-Trends

- 51% in Q3 F18 over Q3 F17
- -18% in Q3 F17 over Q3 F16

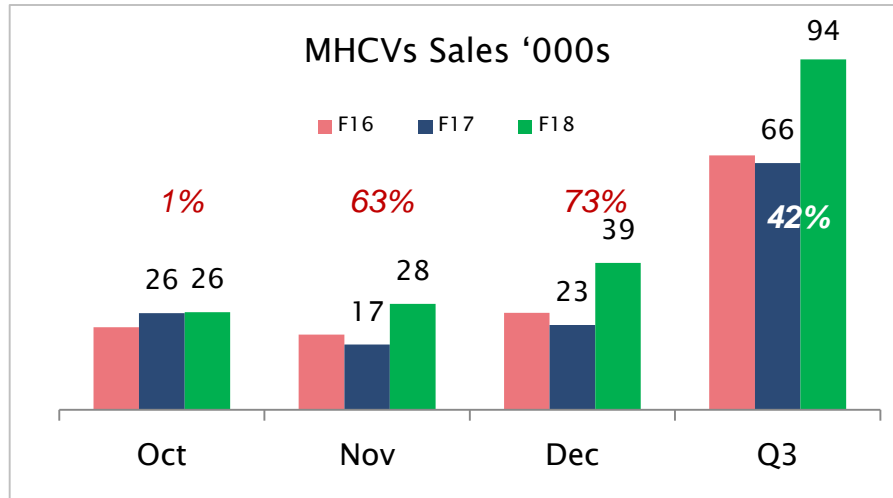
CVs -Trends

CVs = M&HCV+LCV

- 34% in Q3 F18 over Q3 F17
- -1% in Q3 F17 over Q3 F16



Domestic Sales Q3 F18: CVs

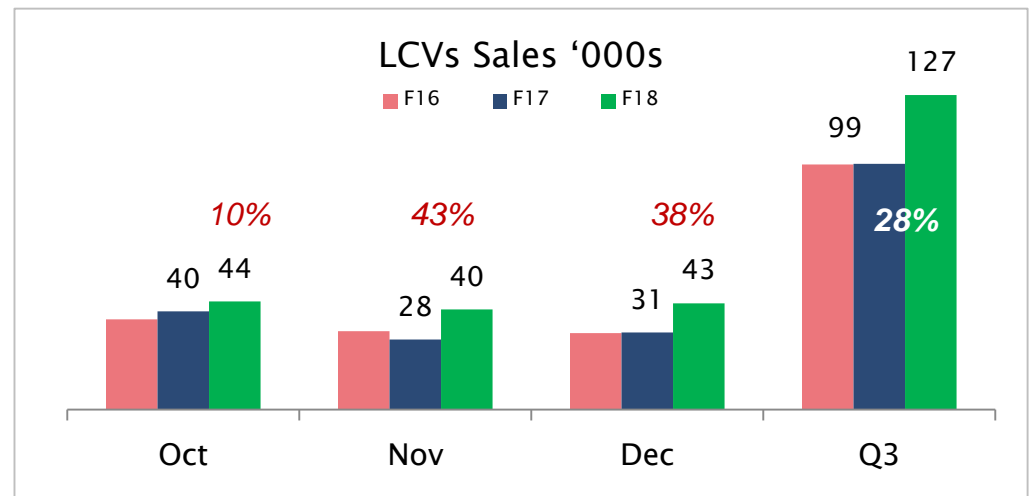


M&HCVs– Trends

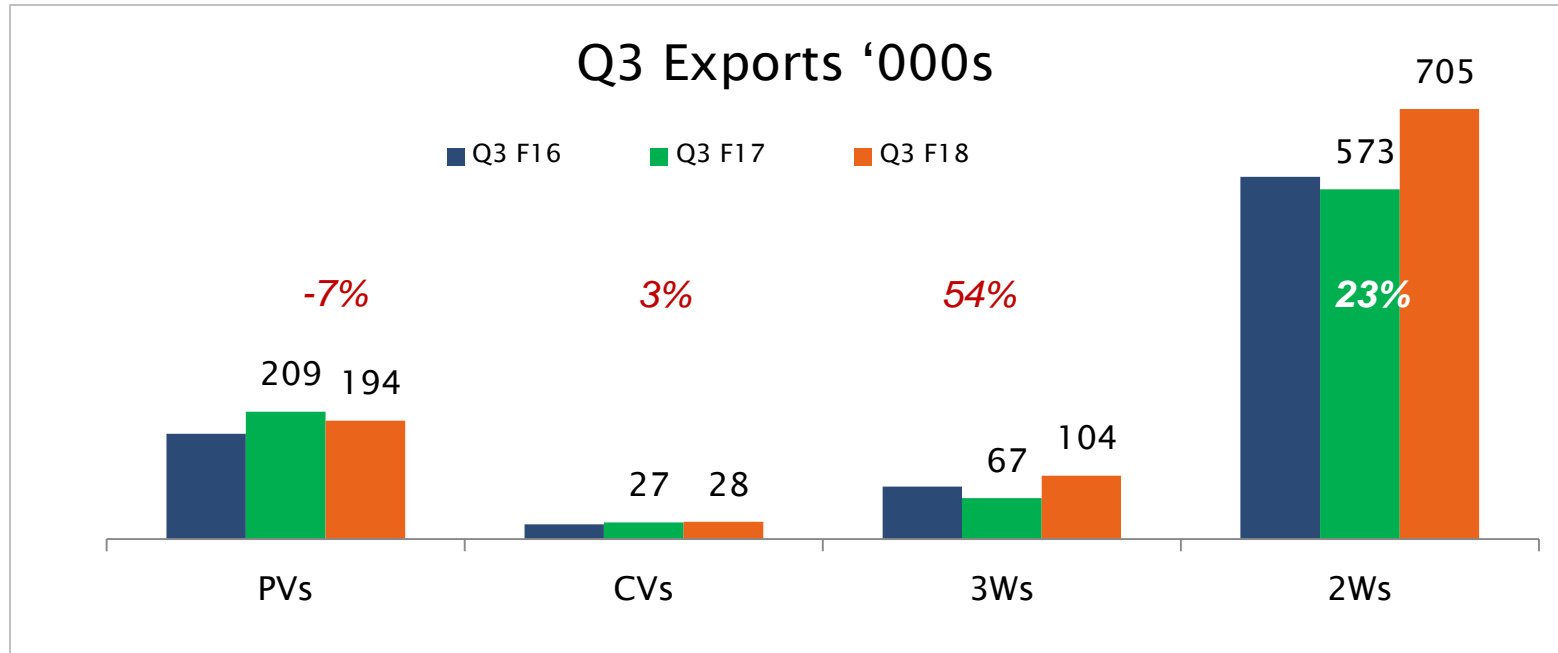
- 42% in Q3 F18 over Q3 F17
- -3% in Q3 F17 over Q3 F16

LCVs–Trends

- 28% in Q3 F18 over Q3 F17
- 0% in Q3 F17 over Q3 F16



Q3 F18 Export Performance



Exports as a % of Production
in Q3 F18

20%

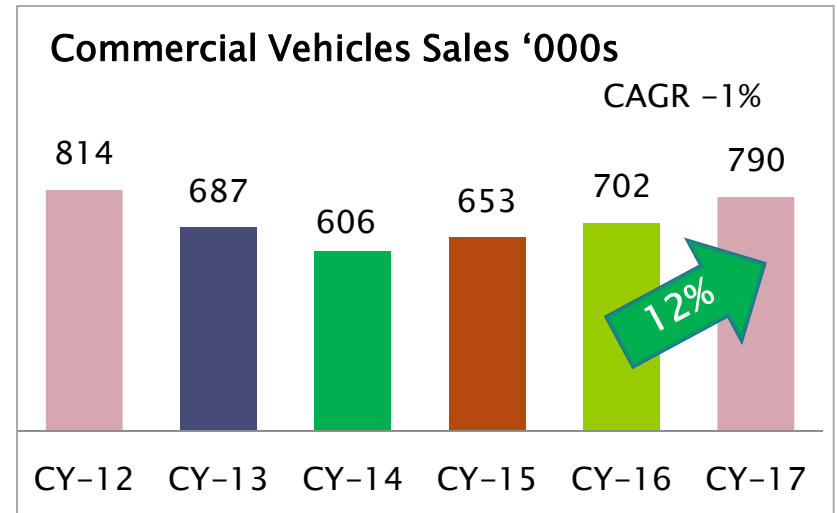
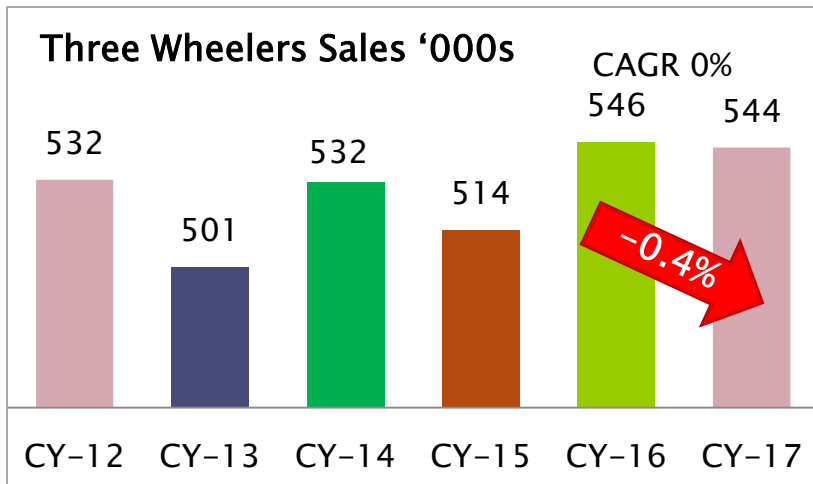
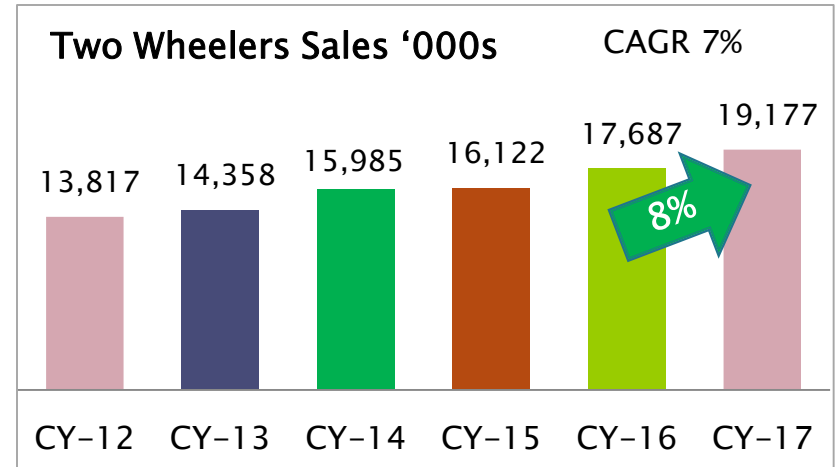
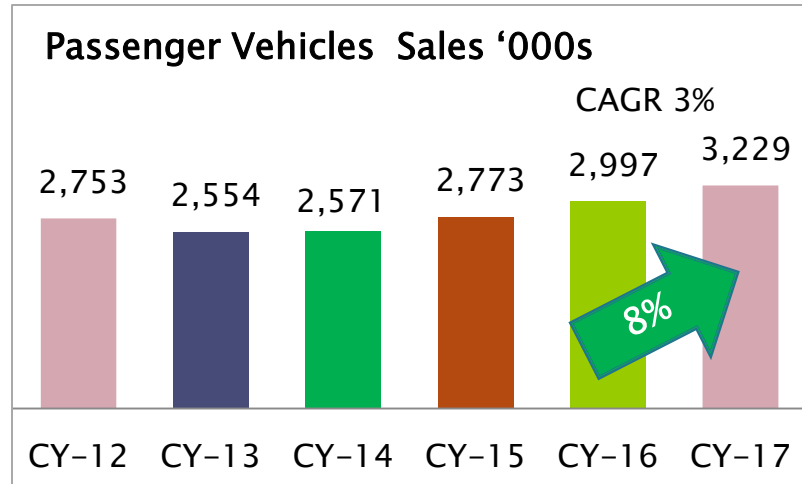
12%

37%

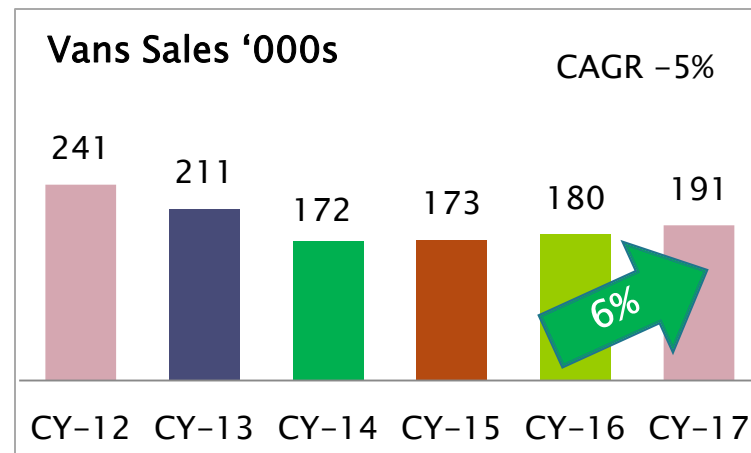
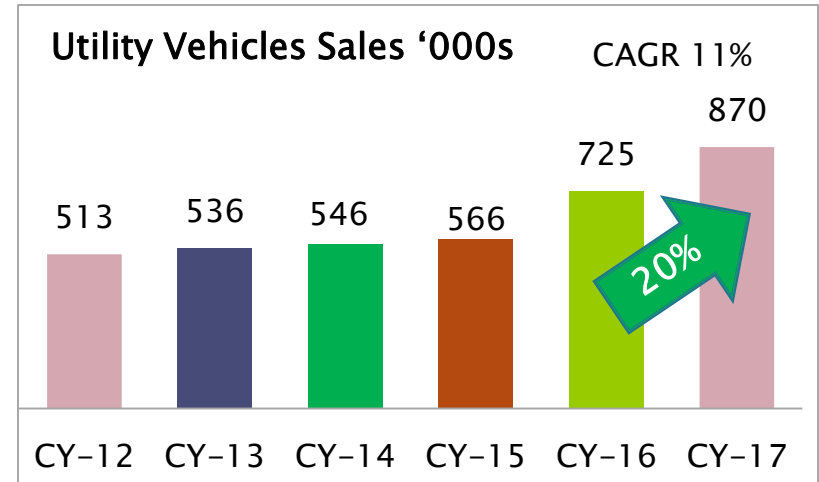
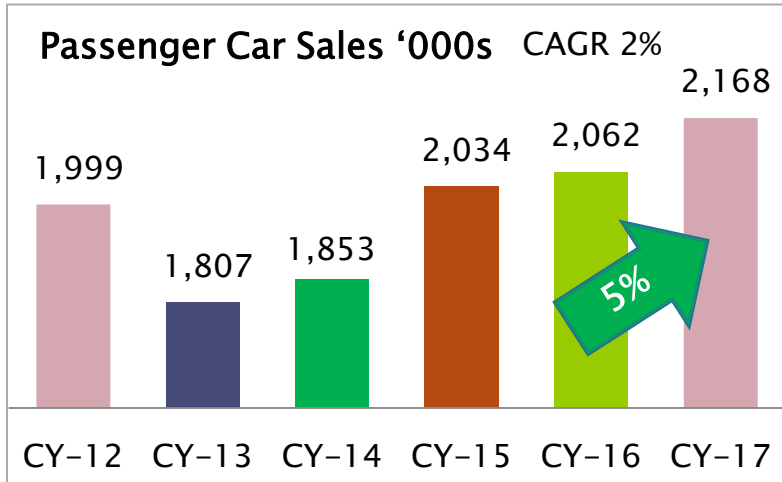
13%

CY17 Performance & Growth

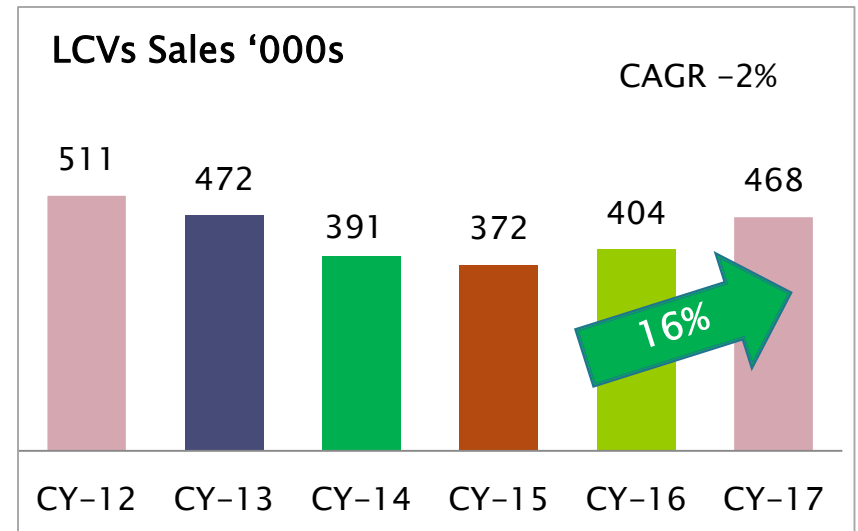
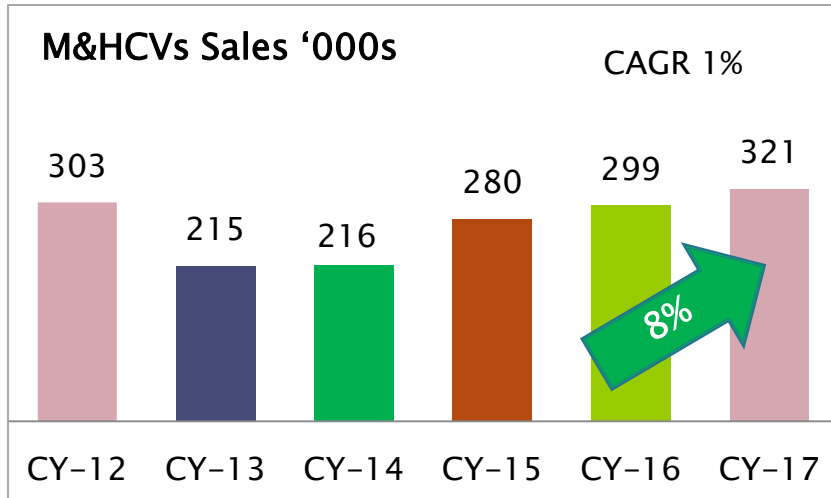
CY17: Yearly performance – All Segments



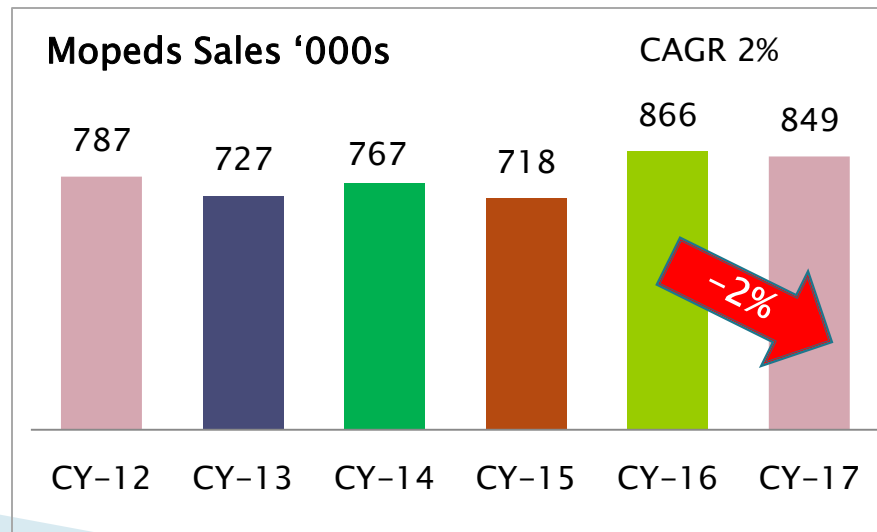
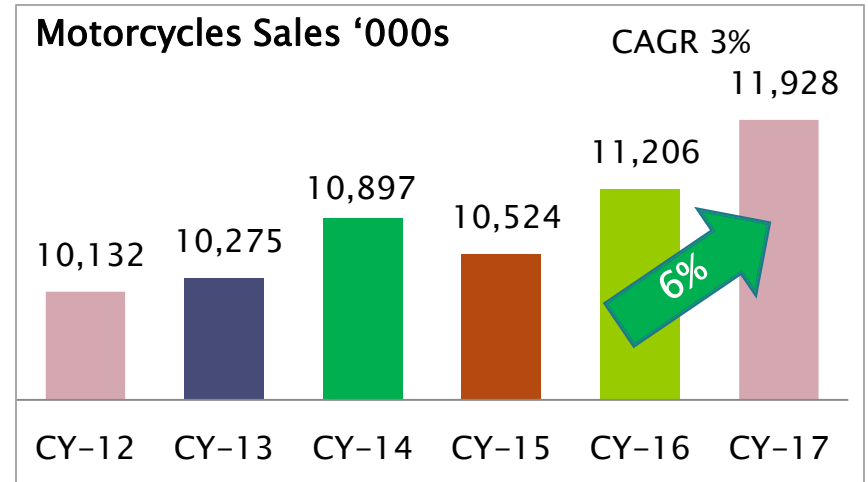
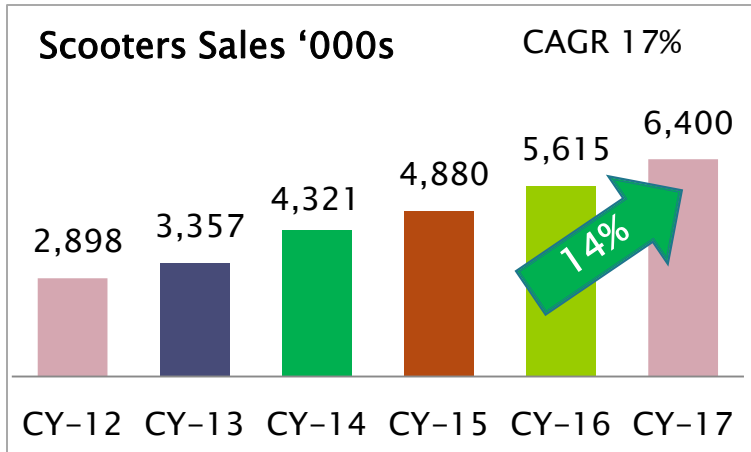
CY17: Yearly performance of Passenger Vehicles Sub-segments – PCs, UVs and Vans



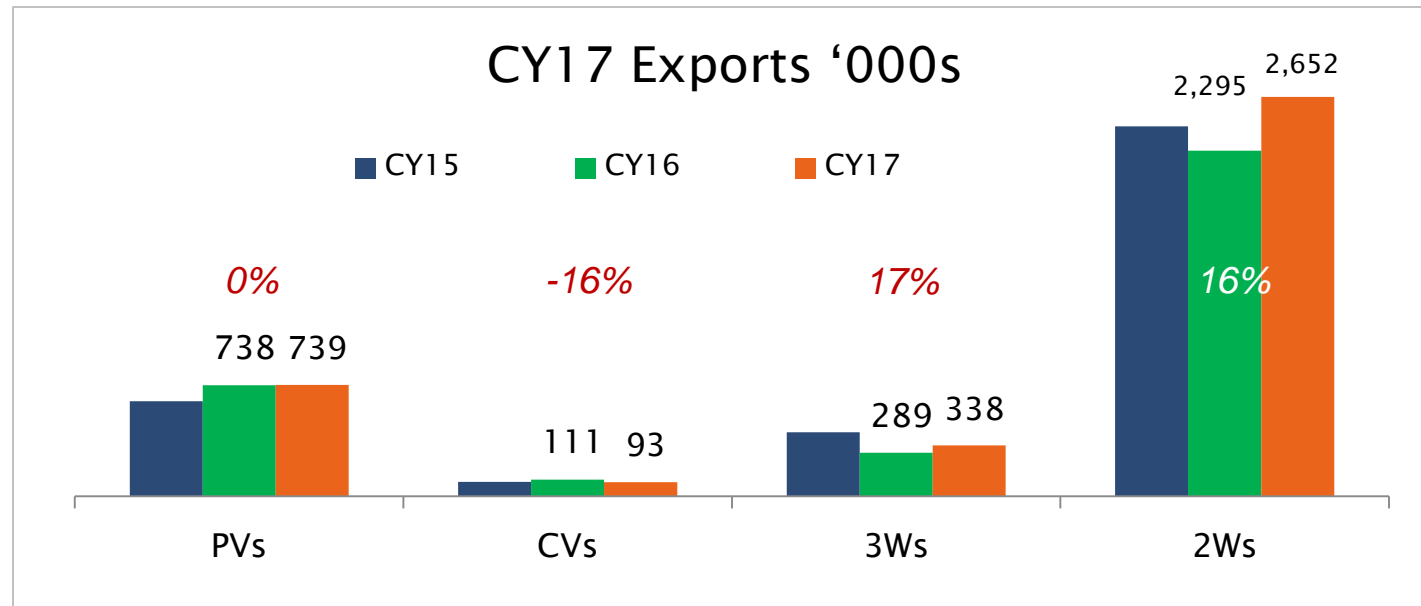
CY17: Yearly performance of Commercial Vehicles Sub-segments – M&HCVs & LCVs



CY17: Yearly performance of Two Wheelers Sub-segments – Scooters, Motorcycles & Mopeds



CY17 Export Performance



Exports as a % of
Production in CY-17

19%

11%

38%

12%

Business Environment

Interest Rates

Months	Natl. Banks	Pvt. Banks	NBFCs
Oct-16	10.00	11.25	13.75
Nov-16	10.00	11.25	13.75
Dec-16	10.00	11.25	13.75
Jan-17	9.88	11.13	13.75
Feb-17	9.63	11.00	12.75
Mar-17	9.63	11.00	12.75
Apr-17	9.63	11.00	12.50
May-17	9.63	11.00	12.50
June-17	9.63	11.00	12.50
July-17	9.63	11.00	12.50
Aug-17	9.63	11.00	12.50
Sep-17	9.50	10.75	12.50
Oct-17	9.50	10.75	12.28
Nov-17	9.50	10.75	12.28
Dec-17	9.50	10.75	11.75



Months	Natl. Banks	Pvt. Banks	NBFCs
Oct-16	12.40	15.75	16.00
Nov-16	12.40	15.75	16.00
Dec-16	12.40	15.75	16.00
Jan-17	11.90	15.50	15.75
Feb-17	11.45	15.25	15.50
Mar-17	11.45	15.25	15.50
Apr-17	11.45	15.25	15.50
May-17	11.45	15.25	15.50
June-17	11.45	15.25	15.50
July-17	11.45	15.25	15.50
Aug-17	11.45	15.25	15.50
Sep-17	11.45	15.25	15.50
Oct-17	11.45	15.25	15.50
Nov-17	11.45	15.25	15.50
Dec-17	11.45	15.25	15.50

Commodity Prices

Commodity	Unit	6 Months Variation			Recent Variation		
		June-17	Nov-17	% Variation	Sep-17	Nov-17	% Variation
HR Steel	Rs/ton	40,500	38,000	-6.17	39,500	38,000	-3.80
CR Steel	Rs/ton	45,250	42,522	-6.03	43,722	42,522	-2.74
Pig Iron	Rs/ton	29,750	31,150	4.71	31,250	31,150	-0.32
Virgin Aluminium	USD/ton	1,891.5	2,116.18	11.88	2,124.83	2,116.18	-0.41
Copper	USD/ton	5,723.7	6,856.09	19.78	6,621.48	6,856.09	3.54
Lead	USD/ton	2,150.43	2,471.61	14.94	2,392.83	2,471.61	3.29
Natural Rubber	Rs/kg	122.4	125.9	2.86	134.2	125.9	-6.18
Carbon Black	Rs/kg	109.35	102.45	-6.31	102.45	102.45	-

Global Comparison: First Eleven Months– Jan–Nov 2017 Sales

Country	Category	Jan–Nov 2016	Jan–Nov 2017	% Change
China	PV	21,670,024	22,091,400	1.94
	CV	3,269,206	3,753,500	14.81
Germany	PV	3,095,000	3,187,312	2.98
	CV	325,900	337,639	3.60
Brazil	PV	429,445	666,416	55.18
	CV	27,900	34,477	23.57
France	PV	1,820,805	1,917,376	5.30
	CV	417,588	450,365	7.85
S Korea	PV	3,395,840	3,410,973	0.45
	CV	353,569	352,252	-0.37
Japan	PV	3,157,096	3,412,573	8.09
	CV	619,288	648,010	4.64
UK	PV	2,514,764	2,388,144	-5.04
	CV	355,628	340,533	-4.24
US	PV	6,272,487	5,584,907	-10.96
	CV	9,510,722	9,954,578	4.67
India	PV	2738780	2,989,397	9.15
	CV	648525	707,476	9.09

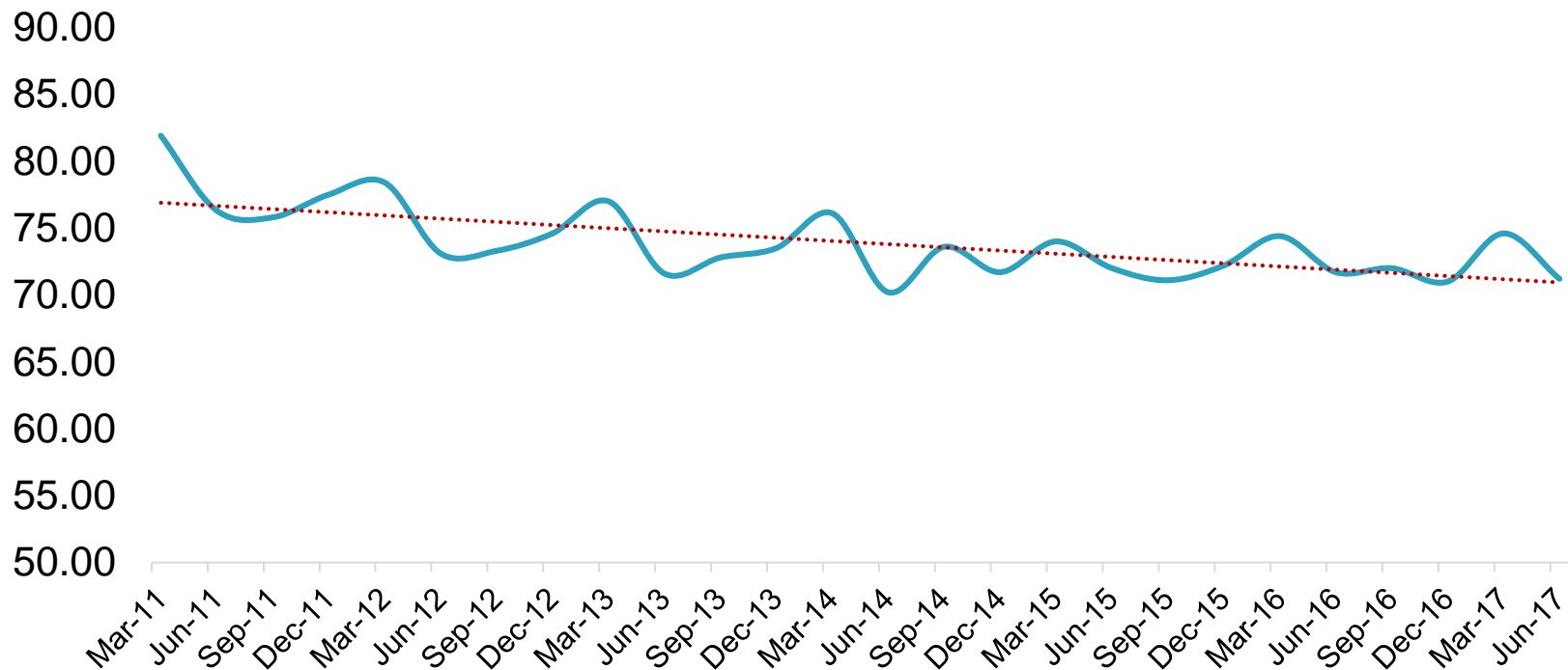
New Models Launched/Re-launched/ Refreshed/ Variants During Oct-Dec 2017 – PV



1	Maruti Celerio X	11	Tata Tigor AMT
2	Maruti Swift Limited Edition	12	Tata Hexa Downtown Edition
3	Mahindra XUV500 G AT	13	Skoda Kodiaq
4	Maserati Quattroporte GTS	14	Audi A5 Sportback, A5 Cabriolet, S5 Sportback
5	Range Rover Autobiography by SVO Bespoke	15	Mahindra KUV100 NXT
6	Ford Ecosport	16	Maruti S-Cross Facelift
7	Renault Captur	17	Volkswagen Passat
8	Mahindra Scorpio Facelift	18	Mini JCW Pro Edition
9	BMW 330i GT M Sport	19	Maruti Celerio Facelift
10	Mercedes-AMG CLA 45, GLA 45 Facelift	20	Hyundai Tucson 4WD AT

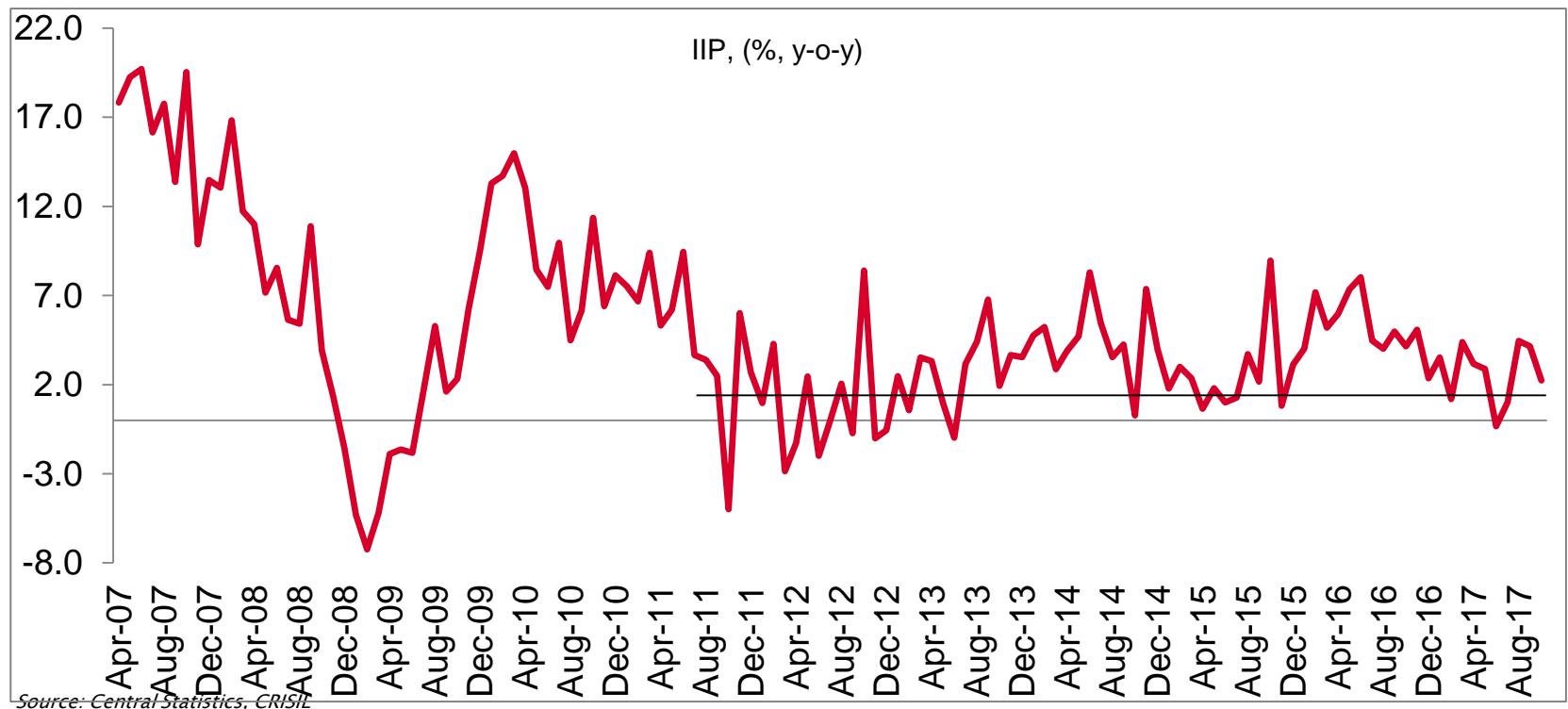
F18 Outlook

Manufacturing sector capacity utilisation for all industries is still weak



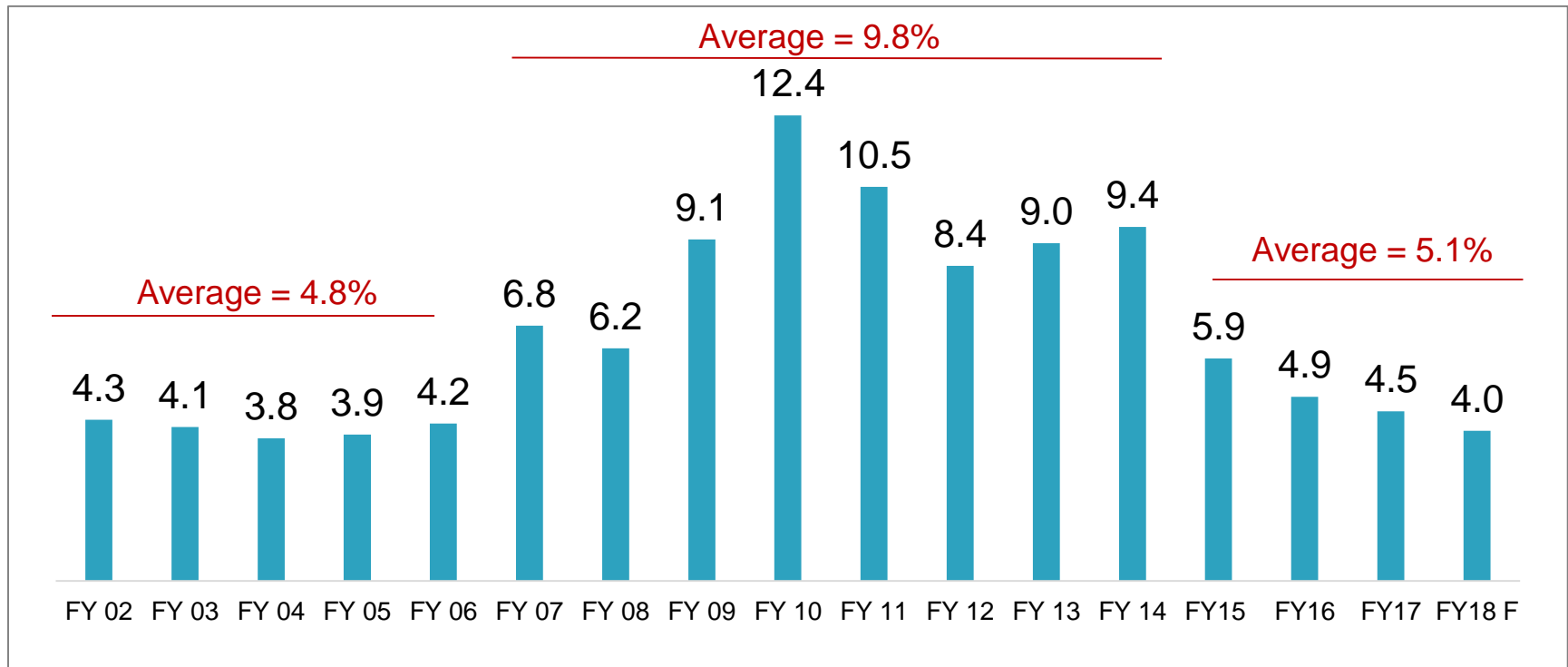
Source: RBI OBICUS Survey

All Industries remain stuck in low gear



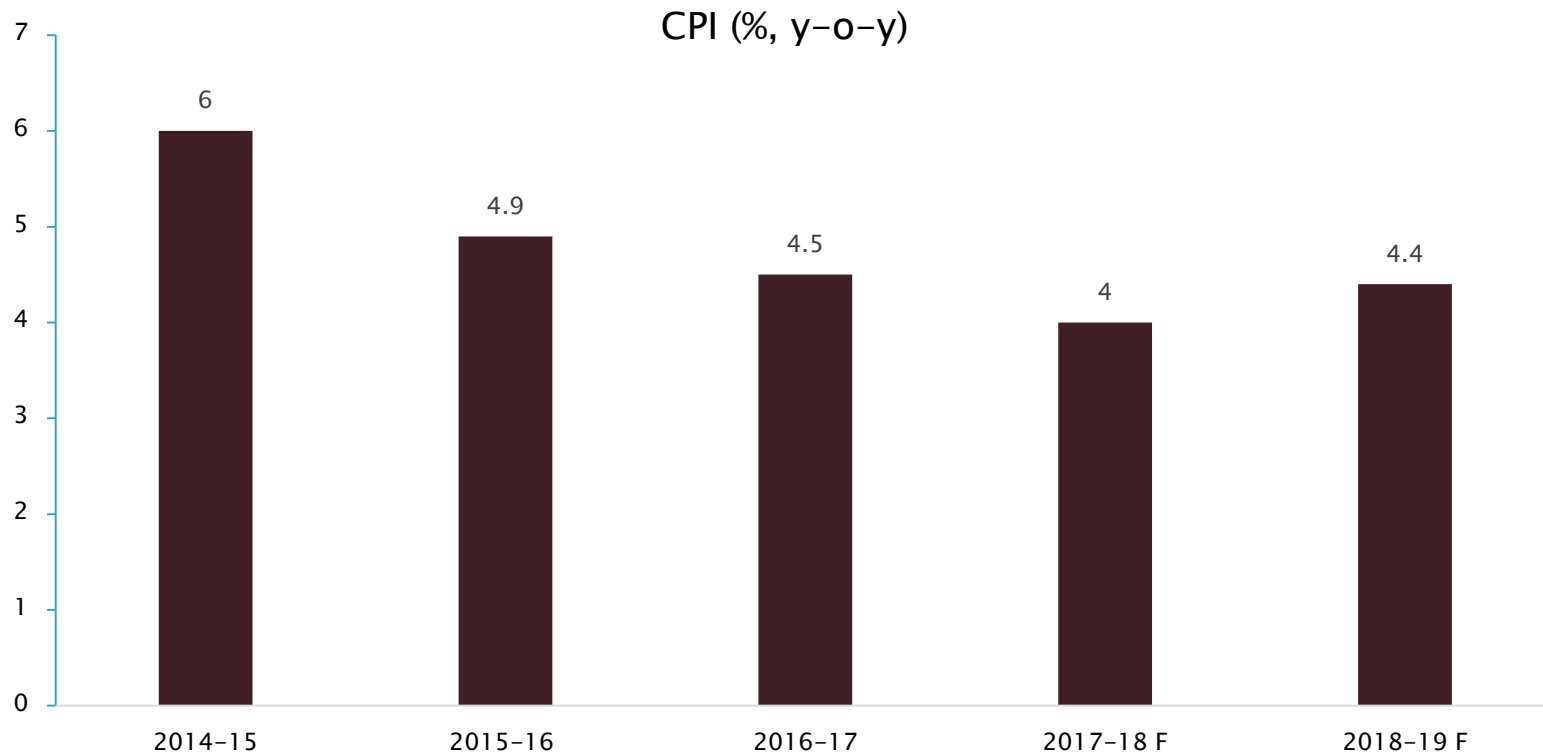
Inflation in comfort zone, but caution prevails

Consumer price inflation (% , y-o-y)



Note: F=CRISIL Forecast
Source: Central Statistics Office, CRISIL

Inflation to go slightly up at 4.4% in FY 19



Brighter outlook for 2018–19....

- ▶ GDP growth expected at 7.6% for fiscal 2018, supported by
 - Fading of demonetisation effect and resolution of GST implementation glitches
 - Strong cyclical recovery in the global economy– world growth at 3.7% in 2018
 - Bank recapitalization
 - Rural impetus
- ▶ Investment outlook to improve but a full fledged private sector investment recovery to wait.
- ▶ Medium term growth outlook to improve as benefits of bank recapitalization and reforms such as Insolvency and Bankruptcy Code and GST will kick in

....but with risks

- Domestic
 - Delay in sorting out GST issues
 - Fiscal stress translating into reduced government capex, especially at state level.
- Global
 - High and rising geopolitical tensions
 - Asymmetric monetary policy action in advanced countries
 - Oil price spike

Forecast for FY18

Segment	Growth
Passenger Vehicles	9%
Commercial Vehicles	13%
Three-wheelers	7%
Two-wheelers	12%

Cars 7%, UVs 20% and Vans 6%

Motorcycles 11% and Scooters 20%

Apart from Buses (-13%), all other Commercial Vehicles expected to grow 16%.

Thank You

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