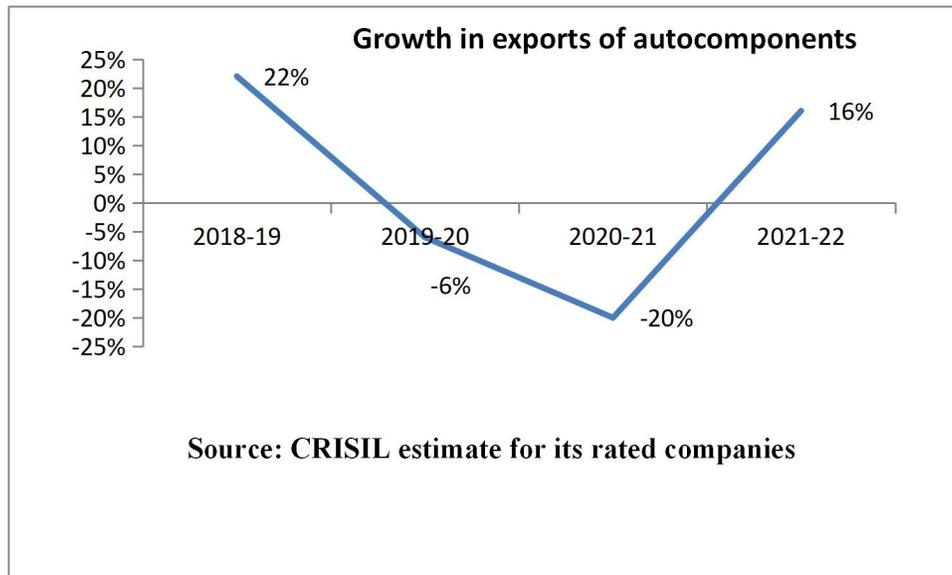


India's autocomponents exports set to decline 20% in FY21

India's autocomponent manufacturing is a sector dominated by micro, small and medium enterprises and it contributes 2.3% to the country's GDP and 4% to total goods exports. According to an estimate by rating agency CRISIL, the sector may witness 20% decline in exports during 2020-21, which comes on the back of 6% fall in shipments in the previous year. Thus, autocomponent manufacturers have to navigate through decline in export revenue for two years consecutively.



CRISIL expects exports to recover in 2021-22 and grow by 16% on the back of pickup in demand from major markets. USA accounts for 25% of India's exports of autocomponents, while Germany, UK, Thailand and Italy contribute 7%, 5% and 4% each respectively.

CRISIL also expects demand for autocomponents from automobile manufacturers (who are called OEMs) and from aftermarket (replacement) to decline during 2020-21. Autocomponent manufacturers earn more than 66% of their revenue from sales to domestic automobile manufacturers or OEMs. According to the rating agency, for the first time in 10 years, autocomponent makers are facing fall in demand from all the three sources, namely export market, OEMs and aftermarket. This will hurt the absolute operating profit of autocomponent manufacturers by 30-35%, CRISIL estimates.

The total revenue of autocomponent companies rated by CRISIL is estimated to have declined to Rs. 3.2 lakh crore in 2019-20 from Rs. 3.6 lakh crore in the previous year. This is expected to fall further to Rs. 2.7 lakh crore in 2020-21, before recovering to Rs. 3.3 lakh crore in the following year.

Notifications

Press Information Bureau, Government of India

Prime Minister addresses Nation

<https://pib.gov.in/PressReleasePage.aspx?PRID=1635346>

Loans worth more than Rs. 1 lakh crore sanctioned under ECLGS

<https://pib.gov.in/PressReleasePage.aspx?PRID=1635376>

Index of eight core industries

<https://pib.gov.in/PressReleasePage.aspx?PRID=1635355>

Implementation of Amendment in Indian Stamp Act

<https://pib.gov.in/PressReleasePage.aspx?PRID=1635399>

PM FME scheme to leverage organic food industry in north east

<https://pib.gov.in/PressReleasePage.aspx?PRID=1635361>

Update on COVID 19

<https://pib.gov.in/PressReleasePage.aspx?PRID=1635316>

New process for MSME registration

<https://pib.gov.in/PressReleasePage.aspx?PRID=1635373>

DGFT

Extension of validity of recognition of Pre-shipment Inspection Agencies

<https://dgft.gov.in/sites/default/files/PN%2011.pdf>

CBIC

Notification of Tariff Value

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2020/cs-nt2020/csnt54-2020.pdf;jsessionid=121FA7D6D16C6DEE452B616038274659>