Indian Automobile Industry - Current Status and the Potential by Chris Luke

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The journey of the Indian Automobile industry began in 1898, when the first car was driven on the roads of Mumbai. Since then the industry has presented a galaxy of vehicles and then there was no looking back! In their early days, the automobile industry largely depended on foreign technologies.

With technical advancements, the market attracted many automobile manufacturers. Some of the brands that contributed in the success of Indian automobile industry are Mahindra, Maruti Suzuki, Hyundai Motors, Tata Motors, and Hindustan Motors. Today the industry is ranked the seventh largest in the entire world. India is the fifth biggest manufacturer of commercial vehicles. 26 lakh cars are manufactured every year by different automobile companies in India.

With economic liberalization in 1991, the Indian automotive industry succeeded in growing their production. Many Indian car manufacturers including Maruti Suzuki, Mahindra, Tata Motors and others successfully expanded their international and domestic operations. Active economic growth has created a solid foundation for future expansion of the domestic market. Many multinational auto industries and manufacturers have invested in the Indian auto market.

Current picture of Indian automotive industry

The New York Times valued India as a major engineering base having a very strong expertise in manufacturing low-cost, comfortable and fuel efficient vehicles. Currently around 75% of Indian car industry is contributed by small cars. With this, the country ranks above any other nation on the globe. It is expected that in next five years, around 12 new car brands will introduce their compact models. Recently the major automotive brands of India along with Hyundai, Mahindra, General Motors, Honda and Volkswagen have declared substantial expansion plans. With a high market potential, the country is all set to become no.1 automotive industry with a platform of outsourcing for many other global auto brands. Mahindra SUVs, Maruti Suzuki A-Star, Maruti Splash, Honda Jazz, General Motorsâ€™ Aveo, and Volkswagen Polo are some of the upcoming car models in India.

The future

As per the reports from Asia Economic Institute, it is clear that Indian automobile industry will be a global leader by the end of 2012. They also made it clear that till the end of 2050, Indian car industry will dominate the market by contributing highest volume of cars in the world. The competition in the Indian auto industry is very stiff. In recent few years, many overseas companies grabbed a big market share of export and domestic sales. The Indian automobile industry managed to come out of the financial crises with their innovative strategies and remedial measures.

As per the reports quoted in the Lok Sabha from the Society of Indian Automobile Manufacturers, the total business made by Indian auto industry reached 1,62,708.77 crore till 2010-11. It is expected that till 2014, the industry will produce 3.74 million units with a 12% growth rate. The turnover is expected to reach $155 billion till the end of 2016. India is soon expected to establish itself as the biggest auto center.

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There are numbers of a automobile industry in the market. Few of them are just restricted with manufacturing buses, trucks or suv whereas many of them are overall performer. Mahindra, Tata and Maruti are some examples of automotive manufacturer.

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