

**INDIA AFTERMARKET AUTO SHOW**  
**BY AUTOMOTIVE COMPONENT MANUFACTURERS ASSOCIATION OF**  
**INDIA (ACMA)**  
**IN ASSOCIATION WITH MINISTRY OF COMMERCE & INDUSTRY, GOI**  
**AND**  
**HIGH COMMISSION OF INDIA, NIGERIA**

[At Eko Hotels and Suites, Lagos]  
(18 July 2016 at 0900 Hrs)

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**Address by Mr. B.N.Reddy, High Commissioner-Designate of India**

**Mr. Luqman Mamudu, Director, Policy and Planning, Nigerian Automotive Design and Development Council,**

**Mr. Sunil Arora, Chairman Northern Region, ACMA**

**Mr. Kaushik Madhavan, Director-Mobility, Frost & Sullivan**

**Mr. J.S. Rangar, Deputy Chairman- ACMA**

**Participants from India and Nigeria,**

**Ladies & Gentlemen**

**All Protocols observed.**

It gives me immense pleasure to be amidst you on the occasion of India Aftermarket Auto Show and the Buyer Seller Meet. I thank Automotive Components Manufacturers Association (ACMA) of India for hosting this event in Lagos, and for inviting me to this inaugural event.

2. As we just heard from Mr. Sunil Arora, about the role played by ACMA, the Apex body of Auto Component Industry in India with over 700 members representing 85% of this sector, in steering high quality auto components for both domestic as well as international markets. I may venture to say that it is the strength of Indian auto component industry that made India an easy destination for global automotive companies to establish their bases in India starting with the liberalization phase of the Indian automotive sector in early 1990s and thereafter. I am profoundly impressed with the Indian auto component industry for its yeoman contribution to the overall automotive industry in India.

3. ACMA deserves a round of applause of its role – I call it a multiplier effect it generated over the years, in guiding and channelizing its inherent strength to make India a global player in auto components industry.

4. Last year, India's exports of auto components grew by 3.5 per cent to 10.8 billion US Dollars compared to the previous year 2014-15. The

components exported by India practically included the entire spectrum - engine parts, transmission parts, brake system & components, body parts, exhaust systems and turbochargers.

**Friends,**

5. India is emerging as the global market supplier of automotive parts and components. Government of India is committed to this objective as part of a vision to make India a leading destination for designing and manufacturing of automobiles and auto components. According to Automotive Mission Plan 2016-26 (AMP), the Indian auto component industry is aiming an impressive USD 200 billion in revenue by 2026, with exports in the region of USD 80 billion compared to USD 11 billion last year.

6. Nigeria is the major focus market in Africa for both India's automobiles as well as the auto components. Indian automobile majors including Ashok Leyland, Bajaj, Hero Honda, Kinetic, Mahindra & Mahindra, Maruti, Tata, and TVS have established their presence in Nigeria. The deliberations of the ACMA delegation with their Nigerian counterparts, I am confident, will deepen the cooperation in auto component sector too.

**Friends,**

7. The Indian industry and businesses are keen to engage further with their Nigerian counterparts to take advantage of the untapped potential between the two countries in diverse sectors of the economy. The launch of ASSOCHAM India-Nigeria Business Council in Abuja on 28 June this year, in the presence of H.E. Mr. Okechukwu Enelamah, Federal Minister of Trade, Investment & Industry, is symbolic of the recognition by the Indian businesses of the importance of Nigeria as a growing and strong partner, and also Nigerian businesses of India.

8. As you make preparations for engaging later in the day for a Buyer Seller Meet, I would like to draw your attention to the enabling environment prevailing between India and Nigeria to advance your business propositions.

**Friends,**

9. India-Nigeria engagement is historic and deep-rooted. It has been strengthened in the post-independent era. Our two countries share democratic norms; bestowed with multi-ethnic diversity; enjoy people-to-people ties and similarity of orientation on a range of global issues.

10. Both countries enjoy many complementary and comparative advantages which need to be harnessed for mutual benefit – for growth, employment generation, and overall progress. In a sense, this provides the enabling environment. The event today is one such mutually beneficial engagement that could not only expand bilateral trade but also spur employment generation in Nigeria.

**Ladies & Gentlemen,**

11. Nigeria, the largest economy in Africa contributing a quarter of Africa's GDP and with a fifth of the population of the Continent, is major market and also a key hub for entering the West African market. It is this realization that is sinking fast in the mind of Indian companies and businesses. The ACMA delegation should note that Nigeria is rated among the Next 11 leading Global Growth Generators (3G) over the next 40 years.

12. From India's perspective, Nigeria is the largest destination in Africa for manufactured products. Over time, India widened the scope of its economic engagement with Nigeria. Indian companies now have significant presence in key sectors of Nigerian economy including IT, power, automobiles, telecommunications, agriculture, defence, health, electricity transmission, pharma, steel, herbals, software services, machinery and expertise in the form of joint ventures and consultancy services.

13. Our bilateral trade during 2015-16 stood at US \$12.8 billion, with a lion's share in oil and gas imports from Nigeria. Even though Nigeria is India's largest trading partner in Africa and India is Nigeria's largest trading partner globally, there is a strong realization about the vast untapped potential. This calls for expanding the basket of items of trade, with focus on non-oil and gas sectors.

14. The Nigerian Government has also embarked on a massive programme of diversification of the economy, beyond the oil and gas. This is yet another opportune moment for expanding the existing engagement in agriculture, manufacturing, infrastructure and mining. This provides the Indian automotive and auto components industries huge opportunity to get intrinsically linked to this new drive by Nigeria.

**Ladies & Gentlemen,**

15. Let me briefly share the recent trends in India with our Nigerian friends. India is now the fastest growing economy in the world. The Indian Government, during the last two years, has taken a series of initiatives. 'Make in India', which was launched globally in September 2014 - a flagship economic initiative to boost manufacturing by facilitating easy conduct of business, improving competitiveness of domestic industry and creating millions of jobs. Among other important initiatives include 'Start up India', 'Stand-up India', 'Digital India', '100 smart Cities' and 'Skill India'. These initiatives are intended to foster innovation, encourage new-age entrepreneurship and create millions of new job opportunities.

16. Despite slowdown in the global economy, the measures taken by the Indian Government have resulted in FDI inflows of \$55.5 billion in 2015-16 - the highest ever in any one financial year till date. To sustain the momentum and to further increase the Foreign Direct Investment, second major reform in

FDI norms was announced last month, including 100% FDI in select sectors. These reforms make India the most open economy in the world for the FDI.

17. India has now emerged as first amongst world's fastest growing economies, first among 100 countries on the growth, innovation and leadership index, first amongst 100 investment destinations polled globally, seventh most valued national brand in the world. India's rank jumped 12 positions in Ease of Doing Business 2016 list by World Bank and India moves 16 places in the Global Competitiveness Index 2015-16.

**Friends,**

18. India is also fully committed to the progress and prosperity of Africa, and also to benefit from its varied and rich experiences. Under India-Africa Forum Summits held thrice, India has taken a series of initiatives in this regard.

19. It should also reassure you that India-Africa bilateral trade, which stood barely at US\$ 5 billion a decade ago, has reached US\$ 72 billion in 2015. India is currently the fourth largest trading partner of Africa. In this context also, we accord a high priority to Nigeria. The automotive industry and the auto component industry, have a significant role to boost the continental commercial engagement of India.

**Friends,**

20. Before I conclude, I wish to address a salient aspect of India's auto component industry –this pertains to quality. The fact that over 60% of India's auto component exports are destined to Europe and North America, and another 25% to premier markets in Asia, should put to rest any lingering questions on the quality of Indian auto components exported abroad.

21. As part of the 'Make in India' initiative of the Government of India under the leadership of Prime Minister Shri Narendra Modi ji and the thrust on increased localisation by Original Equipment Manufacturers (OEMs), the auto component industry is actively focussing on delivering enhanced quality products, as well as on Research & Development and innovation.

22. I wish the ACMA delegation the very best and assure of High Commission of India's support in their efforts to follow-up further after their deliberations with their Nigerian counterparts.

23. I am confident that the Buyer Seller Meet to follow later today would give ample opportunities for the India's ACMA delegation to interact with their Nigerian counterparts, and to come up with productive and tangible outcomes.

Thank you.

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