

Export Performance of India's Automobile Industry: An Analysis

Vishnu. S¹ and Dr. M.G. Vincely Jebakar²

¹Ph.D. Research Scholar (Reg. No.20213161031002)

Department of Economics and Research Centre
Scott Christian College (Autonomous), Nagercoil - 629003, Tamilnadu.
(Affiliated to Manonmaniam Sundaranar University, Tirunelveli)

²Research Supervisor and Associate Professor.

Department of Economics and Research Centre
Scott Christian College (Autonomous), Nagercoil - 629003, Tamilnadu.
(Affiliated to Manonmaniam Sundaranar University, Tirunelveli)

Abstract: The automobile industry occupies an important position in India's manufacturing and international trade sectors. The present study, examines the recent trends and geographical patterns of India's automobile exports. The study specifically analyses the category-wise export performance of passenger vehicles, commercial vehicles, three-wheelers and two-wheelers during 2019–20 to 2023–24, and examines the major export destinations and category-wise destination patterns during 2020–21 to 2023–24. The study is descriptive and analytical in nature and is based on secondary data obtained primarily from SIAM and DGCI&S. The findings reveal considerable fluctuations in automobile exports during the study period, with two-wheelers dominating export volume and passenger vehicles showing a strong recovery. Destination-wise analysis indicates substantial variation across vehicle categories, with Saudi Arabia, Mexico, South Africa and the UAE emerging as important overseas markets. The study concludes that India's automobile exports are characterised by both product and geographical diversification, highlighting the importance of strengthening competitiveness and expanding access to international markets.

Key Words: Automobile Exports; Export Performance; Export Destinations.

Introduction

The automobile industry is an important component of India's manufacturing sector and contributes significantly to industrial growth, employment, technological development and international trade. Over the years, India has developed into a major automobile manufacturing hub, supported by a large domestic market, competitive production capabilities, skilled labour, foreign investment and the presence of leading domestic and multinational automobile manufacturers. Along with the expansion of domestic production, automobile exports have become increasingly important in strengthening India's position in the global automotive market.

India exports a diverse range of automobiles, including passenger vehicles, commercial vehicles, three-wheelers and two-wheelers, to markets across Asia, Africa, Latin

America, the Middle East and other regions. However, export performance varies considerably across vehicle categories and destination countries due to differences in overseas demand, market conditions, regulatory requirements and global economic developments. The period from 2019–20 onwards is particularly significant as the automobile industry experienced disruptions associated with the COVID-19 pandemic, supply-chain constraints and changing global demand, followed by varying degrees of recovery across vehicle segments.

Against this background, an assessment of both the composition and geographical distribution of automobile exports is important for understanding India's recent export performance. The present study examines the category-wise export performance of the Indian automobile sector from 2019–20 to 2023–24. It further identifies India's major automobile export destinations and analyses the category-wise pattern of export destinations during 2020–21 to 2023–24. The study thereby seeks to provide a concise understanding of recent trends, variations and geographical patterns in India's automobile exports.

OBJECTIVES

- To analyse the category wise export performance of India's automobile sector from 2019 – 20 to 2023 – 24.
- To identify category wise export destination of India's automobile sector from 2020 – 21 to 2023 – 24.

REVIEW OF LITERATURE

Narayanan (1998) examined the impact of technology acquisition and deregulation on the competitiveness of the Indian automobile industry using firm-level data. The study found that technological capabilities, particularly the effective combination of imported technology and in-house R&D, significantly enhanced firms' competitiveness. It also highlighted the importance of technological upgrading, product differentiation and vertical integration. The findings provide a basis for understanding variations in performance across different segments of the Indian automobile industry.

Athukorala and Veeramani (2019) analysed India's transition from an import-substitution-oriented automobile industry to an internationally competitive sector integrated with global production networks. The study found that economic reforms, foreign investment and multinational manufacturers strengthened India's automobile production and exports. Passenger vehicles, particularly compact cars, emerged as a major export segment, with compact cars accounting for over 80% of passenger-vehicle exports. The findings demonstrate significant differences in export performance across automobile categories.

Kim and Chai (2016) examined the export competitiveness of the Indian automobile industry with particular reference to South Africa, an important destination for Indian automobiles. The study highlighted India's growing export orientation and its ability to penetrate significant overseas markets. It demonstrates the importance of destination-specific analysis in assessing automobile export competitiveness. However, its focus on South Africa also indicates the need for broader analysis covering India's other major automobile export destinations.

Athukorala and Veeramani (2019) examined the geographical distribution of India's automobile exports and found considerable diversification across developed and developing markets. South Africa, Algeria and Mexico were prominent middle-income destinations, while the United Kingdom, Spain, UAE, Australia and several European countries were also

significant markets. The study highlights the importance of destination-wise analysis for understanding market concentration, geographical diversification and India's penetration of international automobile markets.

Nag, De, and Singh (2017) examined the integration of the Indian automobile industry into Asian production networks, particularly with ASEAN economies. Using measures such as intra-industry trade, participation indices and foreign value addition, the study identified increasing cross-country fragmentation of automobile production. The findings emphasise the importance of analysing automobile trade at disaggregated product and partner-country levels, providing a basis for comparing the export destinations of different automobile categories.

Singh (2013) investigated the influence of outward foreign direct investment and technological efforts on exports of Indian auto-component firms. The study found a positive relationship between outward FDI intensity and total exports and highlighted the role of technological and marketing capabilities in international competitiveness. It also demonstrated the growing integration of Indian automotive firms into international production and supply networks, providing useful insights for understanding differences in the geographical pattern of automotive exports.

STATEMENT OF THE PROBLEM

India has emerged as an important automobile manufacturing and exporting country, with passenger vehicles, commercial vehicles, two-wheelers and three-wheelers contributing to its export portfolio. However, the export performance of these categories is not uniform and is influenced by changes in global demand, market conditions and external disruptions. The period from 2019–20 to 2023–24 is particularly significant as it covers the disruptions caused by the COVID-19 pandemic and the subsequent recovery in international trade.

While aggregate export figures indicate the overall performance of the automobile industry, they do not adequately reveal variations among vehicle categories or changes in the geographical distribution of exports. Identifying the major destination markets and examining how these destinations differ across automobile categories are therefore essential for understanding the structure and recent trends of India's automobile exports. Hence, the present study analyses the category-wise export performance, major export destinations and category-wise destination patterns of India's automobile industry during the selected period.

METHODOLOGY

The present study is descriptive and analytical in nature and examines the export performance of India's automobile industry. The study is entirely based on secondary data collected from reliable sources, primarily the Society of Indian Automobile Manufacturers (SIAM) and the Directorate General of Commercial Intelligence and Statistics (DGCI&S), Ministry of Commerce and Industry, Government of India. Relevant published reports, research articles and other official sources were also referred to wherever necessary.

For analysing the category-wise export performance, data relating to passenger vehicles, commercial vehicles, three-wheelers and two-wheelers were considered for the period 2019–20 to 2023–24. To identify the major export destinations and category-wise destination patterns, country-wise export data for passenger vehicles, three-wheelers, buses, trucks and two-wheelers were analysed for the period 2020–21 to 2023–24.

The collected data were classified, tabulated and analysed using descriptive statistical techniques, mainly percentage changes, comparative analysis and trend analysis. Tables were

used to examine variations in export performance over time and changes in the geographical distribution of India's automobile exports. Export volume is expressed in thousand units, while destination-wise export values are expressed in USD million.

The study covers 2019–20 to 2023–24 for category-wise export performance and 2020–21 to 2023–24 for destination-wise analysis, based on the availability and relevance of comparable data. The study is confined to the export performance of India's automobile sector, focusing on vehicle categories and their major international destinations. Automobile components and parts are excluded from the analysis

DATA ANALYSIS AND INTERPRETATION

Table 1 - Category wise Exports Performance of India

Category	2019-20	2020-21	2021-22	2022-23	2023-24
Passenger Vehicles	662	404	578	663	672
Commercial Vehicles	60	50	92	79	66
Three Wheelers	502	393	500	366	300
Two Wheelers	3,519	3,283	4,443	3,652	3,458
Total	4,744	4,131	5,613	4,759	4,496

Source : Society of Indian Automobile Manufacturers (SIAM)

The Table 1 shows noticeable fluctuations in India's automobile exports during 2019–20 to 2023–24. Total exports declined from 4,744 million units in 2019–20 to 4,131 million in 2020–21, followed by a strong recovery to 5,613 million units in 2021–22, the highest during the study period. However, exports subsequently declined to 4,759 million in 2022–23 and 4,496 million in 2023–24.

Among the categories, two-wheelers consistently dominated automobile exports, reaching a peak of 4,443 million units in 2021–22, before declining to 3,458 million in 2023–24. Passenger vehicles showed comparatively strong recovery, increasing from 404 thousand units in 2020–21 to 672 thousand in 2023–24, slightly exceeding the pre-pandemic level. Commercial vehicle exports also recovered sharply in 2021–22 but moderated thereafter. In contrast, three-wheeler exports showed a sustained decline after 2021–22, falling to 300 thousand units in 2023–24.

Overall, the analysis reveals an uneven export performance across automobile categories, with two-wheelers remaining the principal contributor to India's automobile exports and passenger vehicles demonstrating relatively stronger recent growth. This highlights the importance of category-wise analysis in understanding changes in India's automobile export performance.

Table 2 - Country wise Exports Performance - Passenger Vehicles (Value in USD Million)

Sl. No.	Export Destination	2020-21	2021-22	2022-2023	2023-2024
1	South Africa	491.43	1,013.93	1,310.67	987.27
2	Saudi Arabia	437.18	373.67	695.12	1,304.72
3	Mexico	848.17	916.03	941.15	837.76
4	Japan	29.27	95.89	82.93	220.62

Sl. No.	Export Destination	2020-21	2021-22	2022-2023	2023-2024
5	UAE	172.34	247.00	385.43	393.56
6	Chile	200.82	337.31	357.05	265.77
7	Peru	67.91	93.42	178.92	153.63
8	Indonesia	44.57	46.73	76.82	103.38
9	Australia		103.52	65.53	132.87
10	Tunisia	68.73	85.77	100.56	106.07
	Others	1,423.18	1,957.17	2,003.38	1,717.07
	Total	3,783.60	5,270.44	6,197.56	6,222.72

Source : Society of Indian Automobile Manufactures (SIAM)

The Table 2 shows a steady expansion in India's passenger vehicle export value, increasing from USD 3,783.60 million in 2020–21 to USD 6,222.72 million in 2023–24, representing an overall increase of about 64.5%. Export value recorded particularly strong growth in 2021–22 and 2022–23, before increasing marginally in 2023–24.

The destination pattern also changed considerably during the period. Mexico was the largest destination in 2020–21, with exports worth USD 848.17 million. South Africa subsequently emerged as the leading market, reaching USD 1,310.67 million in 2022–23, while Saudi Arabia became the largest destination in 2023–24, with exports of USD 1,304.72 million. The UAE also showed consistent growth, rising from USD 172.34 million to USD 393.56 million. Japan recorded a notable increase to USD 220.62 million in 2023–24, whereas exports to Chile declined in the latest year.

Overall, the data indicate substantial growth along with a changing geographical pattern in India's passenger vehicle exports, with Saudi Arabia, South Africa and Mexico emerging as the principal markets in 2023–24.

Table 3 -Country wise Exports Performance – Three Wheelers (Value in USD Million)

Sl. No.	Export Destination	2020-21	2021-22	2022-23	2023-2024
1	Nigeria	134.28	152.16	109.9	71.25
2	Mexico	11.79	25.72	32.07	36.14
3	Peru	17.46	21.59	24.03	37.23
4	UAE	14.47	38.36	42	26.08
5	Ghana	14.86	17.86	4.79	14.55
6	Guatemala	3.6	12.4	7.48	18.76
7	Somalia	33.12	43.5	52.14	59.15
8	Tanzania	11.27	18.49	10.04	24.65
9	Afghanistan	7.57	2.75	4.27	14.62
10	Honduras	0	3.54	5.2	8.22
	Others	270.17	321.03	194.71	90.95
	Total	518.59	656.9	486.63	401.6

Source : Society of Indian Automobile Manufactures (SIAM)

The Table 3 reveals considerable fluctuations in the value of India's three-wheeler exports during 2020–21 to 2023–24. Total exports increased from USD 518.59 million in 2020–21 to a peak of USD 656.90 million in 2021–22, before declining sharply to USD 486.63 million in 2022–23 and USD 401.60 million in 2023–24.

Nigeria remained a major export destination, although its value declined substantially from USD 152.16 million in 2021–22 to USD 71.25 million in 2023–24. In contrast, Somalia showed consistent growth, increasing from USD 33.12 million to USD 59.15 million and becoming the second-largest listed destination in 2023–24. Peru and Mexico also recorded notable increases over the period, while the UAE showed fluctuations after peaking in 2022–23.

Overall, the data indicate a declining trend in three-wheeler export value after 2021–22, accompanied by a shift in destination patterns, with growing importance of markets such as Somalia, Peru and Mexico.

Table 4 -Country wise Exports Performance – Buses (Value in USD Million)

Buses (Value in USD Million)					
Sl.No.	Export Destination	2020-21	2021-22	2022-2023	2023-2024
1	UAE	17.53	40.75	30.11	61.78
2	Qatar	8.94	30.18	17.08	14.28
3	Nepal	5.49	8.36	9.62	11.6
4	Tanzania	7.65	9.02	8.81	10.5
5	Saudi Arabia	7.98	7.09	29.95	29.86
6	Kuwait	0.05	0.9	5.13	5.41
7	Mauritius	0.39	0.27	0.07	0.07
8	Congo D. Rep.	0.9	0.03	0.62	6.06
9	Congo P Rep	3.28	7.08	5.59	8.7
10	Bahrain	0.15	0.91	0.13	2.07
	Others	12.3	15.22	25.43	27.83
	Total	64.66	119.81	132.54	178.16

Source : Society of Indian Automobile Manufactures (SIAM)

The Table 4 shows a strong upward trend in India's bus export value, increasing from USD 64.66 million in 2020–21 to USD 178.16 million in 2023–24, representing an increase of about 175% over the period.

Among the destinations, the UAE emerged as the largest market, with exports rising substantially from USD 17.53 million to USD 61.78 million. Saudi Arabia also recorded significant growth, increasing from USD 7.98 million to USD 29.86 million, while Nepal and Tanzania showed relatively steady improvement. In contrast, Qatar peaked at USD 30.18 million in 2021–22 before declining to USD 14.28 million in 2023–24.

Overall, the data indicate strong growth in India's bus exports, accompanied by increasing importance of Middle Eastern markets, particularly the UAE and Saudi Arabia, in the geographical distribution of exports.

Table 5 -Country wise Exports Performance – Trucks (Value in USD Million)

Trucks (Value in USD Million)					
Sl. No.	Export Destination	2020-21	2021-22	2022-2023	2023-2024
1	Saudi Arabia	64.3	192.08	285.14	275.71
2	South Africa	64.97	171.16	230.22	178.13
3	Indonesia	16.44	212.94	421.77	220.12
4	Bangladesh	120.66	193.42	108.76	71.53
5	Georgia				0.03
6	UAE	25.17	20.87	34.96	54.34
7	Australia		9.97	39.5	56.2
8	Ghana	17.07	29.94	13.91	35.7
9	Belgium	27.33	25.01	36.83	19.57
10	Morocco	1.47	13.8	64.32	51.12
	Others	364.92	599.37	615.94	440.43
	Total	702.33	1,468.56	1,851.35	1,402.88

Source : Society of Indian Automobile Manufactures (SIAM)

The Table 5 indicates substantial growth followed by a decline in India's truck export value during 2020–21 to 2023–24. Total exports increased sharply from USD 702.33 million in 2020–21 to a peak of USD 1,851.35 million in 2022–23, before declining to USD 1,402.88 million in 2023–24. Despite this decline, the 2023–24 value remained almost double the 2020–21 level.

Among the destinations, Saudi Arabia emerged as the largest market in 2023–24, with exports of USD 275.71 million, followed by Indonesia (USD 220.12 million) and South Africa (USD 178.13 million). Indonesia recorded particularly strong growth up to 2022–23, reaching USD 421.77 million before falling sharply in 2023–24. In contrast, Bangladesh showed a declining trend after 2021–22, while the UAE, Australia and Morocco gained importance.

Overall, the data reveal significant expansion in India's truck exports over the study period, despite a contraction in 2023–24, along with a noticeable shift in major destination markets.

Table 6 -Country wise Exports Performance – Two Wheelers (Value in USD Million)

Two Wheelers (Value in USD Million)					
Sl.No.	Export Destination	2020-21	2021-22	2022-2023	2023-2024
1	Mexico	89.82	174.78	195.09	280.98
2	Colombia	190.06	309.24	307.85	224.22
3	Nigeria	325.03	440.6	252.26	217.45
4	Guatemala	84.21	103.01	89.11	133.83
5	Nepal	195.02	245.29	104.94	96.18
6	Brazil		21.4	53.35	45.66
7	Philippines	89.08	140.29	204.05	105.49

Sl. No.	Export Destination	2020-21	2021-22	2022-2023	2023-2024
8	Guinea	57.94	74.44	68.43	78.73
9	Bangladesh	98.72	110.93	102.93	99.78
10	Argentina	46.03	68.51	61.06	95.27
	Others	881.56	1,296.81	1,348.82	1,394.85
	Total	2,057.47	2,985.30	2,787.89	2,772.44

Source : Society of Indian Automobile Manufacturers (SIAM)

The Table 6 shows that India's two-wheeler export value increased significantly from USD 2,057.47 million in 2020–21 to a peak of USD 2,985.30 million in 2021–22, before declining moderately to USD 2,772.44 million in 2023–24. Despite the recent decline, exports remained substantially above the 2020–21 level.

Among the major destinations, Mexico recorded strong and consistent growth, rising from USD 89.82 million in 2020–21 to USD 280.98 million in 2023–24, making it the largest listed destination in the latest year. In contrast, Nigeria, Colombia and Nepal declined after reaching higher levels in 2021–22. Guatemala and Argentina showed notable growth, while exports to the Philippines fluctuated considerably.

Overall, the data indicate that India's two-wheeler exports expanded over the study period but moderated after 2021–22, accompanied by a shift in destination markets, particularly the growing importance of Mexico.

FINDINGS

- Overall automobile exports fluctuated considerably during 2019–20 to 2023–24. Total exports declined from 4.744 million units in 2019–20 to 4.131 million in 2020–21, peaked at 5.613 million in 2021–22, and subsequently fell to 4.496 million units in 2023–24.
- Two-wheelers remained the dominant automobile export category throughout the period, accounting for the largest share of total vehicle exports. Two-wheeler exports peaked at 4.443 million units in 2021–22 before declining to 3.458 million in 2023–24.
- Passenger vehicles showed the strongest recovery among the major categories, rising from 404 thousand units in 2020–21 to 672 thousand units in 2023–24, marginally exceeding the 2019–20 level of 662 thousand.
- The value of passenger vehicle exports increased substantially, from USD 3,783.60 million in 2020–21 to USD 6,222.72 million in 2023–24. The leading destination shifted from Mexico in 2020–21 to Saudi Arabia in 2023–24, while South Africa also remained a major market.
- Three-wheeler exports showed a declining tendency after 2021–22. Their export value peaked at USD 656.90 million in 2021–22 and fell to USD 401.60 million in 2023–24. Nigeria remained an important destination, although its export value declined considerably, while Somalia, Peru and Mexico gained importance.
- Bus exports recorded the strongest sustained growth, with export value increasing from USD 64.66 million in 2020–21 to USD 178.16 million in 2023–24. The UAE emerged as the largest destination, followed by Saudi Arabia, indicating the growing importance of Middle Eastern markets.

- Truck exports expanded significantly, rising from USD 702.33 million in 2020–21 to a peak of USD 1,851.35 million in 2022–23, before declining to USD 1,402.88 million in 2023–24. Saudi Arabia was the leading destination in 2023–24, followed by Indonesia and South Africa.
- The value of two-wheeler exports peaked at USD 2,985.30 million in 2021–22 and subsequently moderated to USD 2,772.44 million in 2023–24. Mexico emerged as the largest listed destination in 2023–24, while the importance of Nigeria, Colombia and Nepal declined from their earlier levels.
- The destination analysis reveals clear differences across automobile categories. Saudi Arabia was particularly important for passenger vehicles and trucks, the UAE for buses, Mexico for two-wheelers, while Nigeria and Somalia were significant markets for three-wheelers.
- Overall, India's automobile export structure is both category-specific and geographically diversified. The findings indicate a shift in the relative importance of export markets over the study period, with Saudi Arabia, Mexico, South Africa and the UAE emerging as particularly significant destinations across different vehicle categories.

CONCLUSION

The study reveals that India's automobile exports experienced considerable fluctuations during the study period, with significant variations across vehicle categories and destination markets. Two-wheelers continued to dominate automobile exports in volume, while passenger vehicles demonstrated a strong recovery in recent years. In value terms, passenger vehicles, buses and trucks showed notable growth, whereas three-wheelers experienced a declining trend after 2021–22. The destination-wise analysis further indicates that export markets differ substantially across vehicle categories, with Saudi Arabia, South Africa, Mexico and the UAE emerging as important markets.

Overall, the findings demonstrate that India's automobile export performance is diversified both by product category and geographical destination. The changing importance of overseas markets highlights the need to strengthen existing export relationships while exploring new destinations. Improving product competitiveness, adapting to international market requirements and diversifying export markets can further strengthen India's position in the global automobile industry

REFERENCES

Official Data Sources

1. Society of Indian Automobile Manufacturers. (2024). *Annual report 2023–24*. SIAM. Siam SIAM Annual Report 2023–24.
2. Society of Indian Automobile Manufacturers. (2024). *Statistical profile of the automobile industry in India 2023–2024*. SIAM. The statistical profile covers production, domestic sales and exports across the principal vehicle segments. Siam SIAM Statistical Profile.
3. Society of Indian Automobile Manufacturers. (n.d.). *Industry trends: Automobile exports trends*. SIAM. Siam SIAM Industry Trends and Export Data.

4. Directorate General of Commercial Intelligence and Statistics. (2024). *Foreign trade statistics of India*. Department of Commerce, Ministry of Commerce and Industry, Government of India.

Academic / Journal References

5. Athukorala, P. C., & Veeramani, C. (2019). From import substitution to integration into global production networks: The case of the Indian automobile industry. *Asian Development Review*, 36(2), 72–99. https://doi.org/10.1162/adev_a_00132.
6. Nag, B., De, D., & Singh, S. (2017). Is Indian automobile industry getting integrated with Asian production network? *International Journal of Automotive Technology and Management*, 17(4), 345–368. <https://doi.org/10.1504/IJATM.2017.089368>.
7. Narayanan, K. (1998). Technology acquisition, de-regulation and competitiveness: A study of Indian automobile industry. *Research Policy*, 27(2), 215–228. [https://doi.org/10.1016/S0048-7333\(98\)00037-7](https://doi.org/10.1016/S0048-7333(98)00037-7).
8. Singh, N. (2013). Influence of outward-foreign direct investment and technological efforts on exports: Indian auto component firms. *Innovation and Development*, 3(2), 205–221. <https://doi.org/10.1080/2157930X.2013.829965>.