

# S.W.O.T Analysis of AUTO industry

INDIA'S ANNUAL VEHICLE PRODUCTION IN FY2010 WAS 22.93 MILLION UNITS. THE TWO WHEELER SEGMENT DOMINATES THE MARKET IN TERMS OF VOLUME DUE TO A GROWING MIDDLE CLASS AND A LARGE PORTION OF INDIA'S YOUNG POPULATION.

MOREOVER, THE GROWING INTEREST OF COMPANIES IN DEVELOPING LOCAL MARKETS HAS FURTHER CONTRIBUTED TO THE GROWTH OF THIS SECTOR. INDIA IS ALSO A MAJOR AUTOMOBILE EXPORTER, WITH STRONG EXPECTATIONS FOR EXPORT GROWTH IN THE NEAR FUTURE.

MOREOVER, WITH MULTIPLE INITIATIVES BY THE INDIAN GOVERNMENT AND MAJOR AUTO COMPANIES IN THE INDIAN MARKET, INDIA IS EXPECTED TO BECOME ONE OF THE LEADING PLAYERS IN THE GLOBAL TWO-WHEELER AND FOUR-WHEELER MARKET BY 2022.



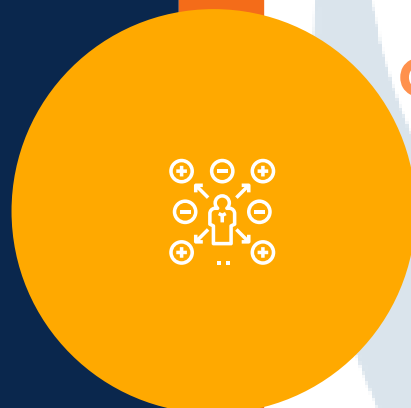
## STRENGTHS

- Increase in exports is boosting the sector
- Strong and stable retail and distribution network
- Rise in Income levels.
- Availability of Affordable Cars



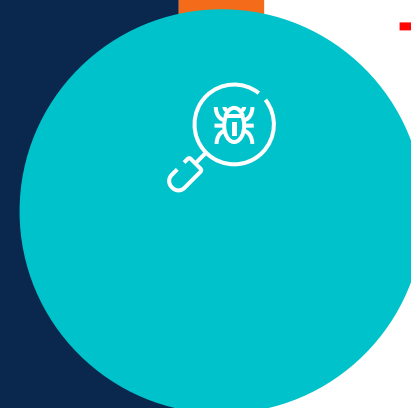
## WEAKNESSES

- Government regulations are concerned about changing interest rates and overhead costs.
- Production costs are generally higher compared to other Asian countries such as China.
- Dependency on various devices is such a weakness.



## OPPORTUNITIES

- Country Population Growth raise
- Rising standard of living
- Better automotive technology is becoming more prevalent, creating greater demand at affordable prices.
- The government is working hard to improve road infrastructure.



## THREAT

- New entrants are catching up with the market.
- Increase pressure to comply with the clean air agenda.
- A recession could severely impact the sector.
- Costly R&D