Commerce & Industry Minister Shri Piyush Goyal Calls Upon Auto Component Industry To Go Global

India Remains Fastest-Growing Among Large Economies; Auto Sector Posts High Double-Digit Growth: Shri Goyal

U.S. Ambassador to India H.E. Sergio Gor Says U.S.-India Automotive Partnership At “Historic High Point”, Invites Indian Auto Component Makers To Invest In U.S.

HM Trade Commissioner Harjinder Kang Highlights CETA’s Tariff-Free Access For Auto Components, Deepening India-UK Automotive Partnership

Shri Goyal Highlights Government Initiatives To Strengthen Auto Sector Supply Chains; Invites Industry To Plug Into New Industrial Parks

India-US Critical Mineral Partnership To Strengthen Resilient Supply Chains, Support Auto Component Industry’s USD 500 Billion Global Ambition: Shri Goyal

Posted On: 02 SEP 2026 6:36PM by PIB Delhi

Addressing the 66th Annual Session of the Automotive Component Manufacturers Association (ACMA) in New Delhi, Union Minister of Commerce & Industry Shri Piyush Goyal today called upon the auto component industry to transform local businesses into global businesses, expand manufacturing footprints across developed countries, strengthen supply-chain resilience and move up the value chain as India seeks to deepen its integration with global markets.

Shri Goyal said the industry’s international trade was nearly USD 50 billion, evenly divided between imports and exports. He said business prospers when it looks globally and imports can also play an important role in the economic progress of a country, while clarifying that this should not be taken as an encouragement to increase imports.

He said there had been a commitment to widen the gap between imports and exports, but this had not yet started, and called for much greater international investment and international business emerging from ACMA and its membership in the years ahead.

The Minister said the industry had benefited from collaborations over the years and had established the ability to produce quality goods in India at globally competitive price points. He called upon the industry to now expand its manufacturing footprint across the world and establish a presence in developed countries.

Shri Goyal highlighted India's growing market access through nine trade agreements finalised in the last four to five years under the leadership of Hon'ble Prime Minister Shri Narendra Modi. He said these agreements covered 38 developed countries, collectively representing a GDP of USD 60 trillion. He said the Free Trade Agreements concluded prior to 2014 collectively accounted for a GDP of USD 10 trillion at today's value, while the nine agreements concluded under the present Government in the last four and a half years provide two-way market access to economies representing a USD 60 trillion GDP.

He said these agreements covered prosperous countries with high GDPs and high per capita GDPs, offering less competition and greater complementarity with Indian industry. Shri Goyal also acknowledged ACMA's role in India's Free Trade Agreement negotiations, saying that the organisation had consistently sought zero-duty access for the Indian auto component sector while also seeking reciprocal opening of the Indian market. He said the industry was capable of taking on the best in the world and was ready to meet global competition.

Referring to the theme of the session, "Beyond Resilience, managing uncertainty to creating new avenues, deeper supply chains", Shri Goyal said it was particularly relevant in a world marked by uncertainties, challenges and considerable churn.

The Minister said that amid global turmoil, India had continued to stay the course and remained the fastest-growing among the large economies of the world. "The naysayers can say what they want, but 7.8% growth is a reality," he said.

Highlighting the growth across sectors, Shri Goyal pointed out that ACMA was growing at a scorching double-digit rate and the auto sector was growing at a high double-digit rate. He said five million passenger cars were expected to be sold this year. The Minister said the cars were being bought and were not merely being stocked. He also referred to electric vehicles, noting that some electric vehicles now had a six-month waiting period.

He pointed out that the steel sector was also growing at a scorching pace and India was importing more steel than it exported because domestic demand was so high. He said the auto component industry was contributing significantly to this demand.

Shri Goyal highlighted various Government programmes aimed at strengthening industrial capacity and supply-chain resilience. He said the support provided to the auto component industry to achieve scale and to speciality steel manufacturing to produce in India the steels required by the sector directly related to the industry.

He also highlighted the relevance of the technical textile PLI for the auto component industry, given its requirement for technical textiles, and said support to the semiconductor industry was intended to bring resilience to auto component supply chains.

The Minister said the Government was creating new industrial parks, with 20 smart cities and industrial cities already underway. He invited the industry to participate in these opportunities and also invited countries to consider establishing enclaves in these parks. "Maybe we should have one of these parks dedicated to a US-India partnership. Maybe we can have two or three, five parks, which will be for auto components only. And I can create a plug and play infrastructure to suit you," he said.

Shri Goyal said the cycle of reforms and further reforms could only move ahead at speed with the support of industry. “We need your ideas. We need your inputs. We need your demands. We need to know what’s challenging you, what’s troubling you, how we can help you more,” he said. “We are a listening government. We want you to be talking,” he said, calling for continued dialogue between industry and Government.

Shri Goyal referred to his recent three-hour engagement with the data centre industry, comprising largely companies from the United States coming into India in a big way. He said India and the United States were trusted partners who could support each other in making everything more competitive.

Shri Goyal said India would soon have a GCC and Israel FTA once the situation stabilised there. He said India would also have FTAs with other countries around the world to secure greater access to critical minerals, which are needed for resilient supply chains.

He highlighted that the United States and India were working together as partners in a critical mineral partnership. He also referred to the Pax Sillica initiative launched by the United States, under which like-minded, democratic, well-meaning and fair-play countries could work together to ensure that no single geography could weaponise trade.

Shri Goyal said these developments would help the auto component industry become a global player as it moved towards its USD 500 billion industry target.

Before concluding, Shri Goyal outlined specific priorities for the industry. He called upon the industry to convert local businesses into global businesses and, for products where greater supply-chain resilience was still required, establish an active indigenisation programme to insulate and protect itself from future black swan events.

He called upon the industry to move up the value chain and begin delivering integrated, very high-value solutions, including products that are designed, built and supplied to the world at top quality.

Shri Goyal also called for greater focus on safety. He said the industry should not leave safety concerns entirely to the Government.

The Minister said technology needed to play a greater role in the auto component sector, including artificial intelligence for better quality control and better assessment of customer needs. He also referred to customised vehicles, which were gaining increasing traction in the United States and Europe, and called for better safety features.

On vehicle scrappage Shri Goyal said that the industry and Government needed to make the scrappage of old vehicles a profitable and valuable proposition for new vehicle buyers.

He emphasised that this could only be achieved through a shared effort by the Government and the private sector. The Minister said the Government had attempted to provide value and incentives from its side and called upon industry to come forward and offer fair value when vehicles were scrapped, so that a greater market could be created for new-age vehicles.

Addressing the event U.S. Ambassador to the Republic of India H.E. Sergio Gor highlighted the deepening U.S.-India cooperation in the automotive sector and said that the relationship stands at a “historic high point”. He said the two countries are “co-designing the future of mobility together” and noted India’s auto component industry as a reliable and increasingly sophisticated partner in strengthening supply chain resilience. He said both governments are working towards a fair, reciprocal and mutually beneficial trade relationship and highlighted the progress made, including the trade understanding reached between the two governments. He also said that Union Minister for Commerce and Industry Shri Piyush Goyal will travel to the United States at the end of the month as the United States hosts the G20 talks.

Mr. Gor highlighted cooperation across pharmaceuticals, military sales and exercises, IT, data centres and space, and described the Pax Silica Declaration as a landmark step towards a pro-innovation regulatory framework, noting that India was among the first countries invited to join. He highlighted the presence of U.S. companies in India's automotive ecosystem and Indian companies in the United States, including Bharat Forge, Sundaram Clayton and Mahindra. He invited Indian auto component manufacturers to explore investment in the United States through greenfield assembly, R&D centres and distribution networks, and noted that the U.S. Embassy in India came first among embassies globally, with $24 billion in new investment into the United States.

In his address, Trade Commissioner for South Asia and British Deputy High Commissioner for Western India Harjinder Kang highlighted the strengthening India-UK relationship and said automotive and future mobility are central to the UK's advanced manufacturing capabilities. He highlighted the India-UK Vision 2035, the UK's modern industrial strategy and the India-UK CETA, which came into force on 15 July 2026. He said 99% of UK tariff lines and 90% of Indian tariff lines have been reduced to zero or very low duties, with streamlined customs and border processes to facilitate trade and business.

He said CETA will deepen supply chains and enable joint ventures and partnerships, with automotive component manufacturers gaining tariff-free access to each other's markets. He highlighted the UK's strengths in advanced engineering, innovation and zero-emission vehicle technologies, including electric motors, batteries, hydrogen solutions, lightweight composites and software-defined vehicle systems.

***

Abhishek Dayal/ Garima Singh/ Ishita Biswas