Challenges in Global Automotive Industry

What is the issue?

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- The global automotive industry is on the verge of a big disruption.
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- India’s import dependence on batteries poses a challenge for adopting electric vehicles.
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What is the status of global automotive industry?

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- Digitisation, increasing automation, and new and emerging technologies would revolutionise the way people move.
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- Urban passenger mobility has undergone significant changes over the past few decades due to rapid industrialisation and the boom of the IT sector.
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- Travel patterns have become increasingly complex and difficult to predict and manage.
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- These trends will shift markets and revenue pools, change mobility behaviour and build new avenues for competition and cooperation.
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- This has put increasing pressure on bigger cities and their transport and infrastructure.
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What are the expected changes due to the disruptions?

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- With growing concerns towards sustainable development and mitigating

climate change, there is a need to shift from the current unsustainable approach to a more sustainable effort.
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- This would bring a shift in consumer behaviour and their buying pattern, although it would be interesting to watch how this trend changes geographically and across continents.
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- Globally, revenue pools from conventional sources such as one-time vehicle sales and aftermarket sales could continue to grow at their current pace.
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What are the concerns before India?

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- The Indian automotive industry has begun to feel the ripple effects of global disruption.
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- In India four technology-driven trends such as electrification, shared mobility, connectivity and autonomous driving are leading the automotive industry to this disruption.
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- The automotive market in India is going through a rapid metamorphosis, offering many choices to consumers beyond just internal combustion engine (petrol/diesel).
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What measures needs to be considered in this regard?

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- Across the globe electrification of vehicles is seen as a sustainable solution to counter the growing levels of vehicle pollution in metros is of particular importance to India today.
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- By 2030, electrification could lead to electrified vehicles holding a substantial share (up to 50 per cent of new vehicle sales in a breakthrough scenario) of the global automobile sector.
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- If India sees a similar momentum, it will significantly impact manufacturers across the automotive value chain. .
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- India needs to address the challenges of increasing fuel import costs and pollution using hybrid vehicles.
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- India needs to invest in infrastrucres related to EV motors and battery, charging technology, power electronics and EV software for the successful implementation of E-mobility.
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- Thus concerted efforts by key stakeholders can help EVs and hybrids become a self-sustaining and profitable market in the near future.
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Source: Business Line

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