

# INDIAN AUTO COMPONENT INDUSTRY

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**Silicon on Wheels: How electronics  
are redefining Mobility**

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*Modern vehicles are increasingly defined by electronics, which power core functions such as engine control, safety systems, and in car comfort, while also enabling EVs and autonomous technologies. Electronics already make up nearly half of a vehicle's cost and will continue to grow with the rise of software driven and connected mobility.*

*At the same time, supply chain complexity and high import dependence highlight the importance of localisation and strengthening domestic automotive electronics manufacturing.*



**The use of electric and electronic (E&E) components has been steadily increasing in vehicles and is estimated at \$10 billion for the Indian auto component market.** These systems are deployed across engine management, emissions control, and safety applications, while also enabling features such as infotainment, ADAS and climate control. They form the foundation for modern day vehicles.



**Electronics account for nearly 45% of the total cost of a passenger car.** This share comprises ECUs, sensors, ADAS, infotainment, software, and power electronics. This is expected to rise to around 50% by 2030 with the increasing adoption of EVs, smart mobility and connected vehicle technologies, along with a stronger focus on fuel efficiency, emissions, safety, comfort and premium features.



**Automotive electronics follow a multi-tier global supply chain, spanning from chipmakers to OEMs.** Indian players have a limited presence in certain tiers, particularly those involving chip production and fabrication, and remain dependent on global suppliers for these capabilities. The development of such competencies remains critical for self sufficiency as the automotive landscape evolves.

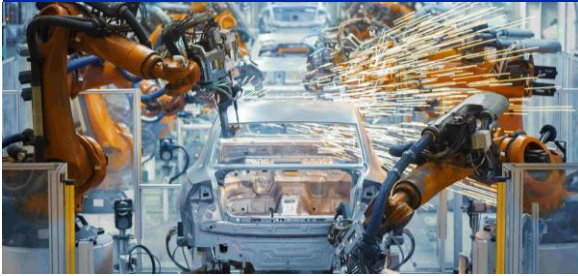


**India imports around \$3 billion worth of electronic and electrical components annually.** China leads in high volume manufacturing, while Germany, Japan, and Korea dominate in high end electronics. Limited domestic capability exposes the industry to costs, foreign exchange movements and supply chain disruption risks. To address this, the Government of India (GoI) is encouraging local manufacturing of automotive electronic components and has introduced several supporting schemes.



**The increasing adoption of EVs, connected vehicles and ADAS is accelerating demand** for more extensive use of electric and electronic components and advanced systems. Future vehicles are expected to be increasingly software-defined, with electronics driving both innovation and value creation, taking the market to an estimated USD 17-18 billion by FY2030.

## 1 Indian Automotive Electronics Industry Overview



## 2 Electronics Supply Chain



## 3 Import Dependency and Localisation Initiatives



## 4 Outlook – Challenges and Opportunities





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