

Ambassador's Remarks at the Buyer-Seller Meet organized by the Automotive Component Manufacturers Association of India (ACMA)

(Rixos Hotel, Almaty Oct 8, 2015, 1300 hrs)

Mr. Vinnie Mehta, Director General of the Automotive Component Manufacturers Association of India, ACMA, Distinguished Representatives of Automotive Component Manufacturers of India and Businessman from Kazakhstan and Kyrgyzstan

I am extremely delighted to join you today at this Buyer-Seller Meet organized by the Automotive Component Manufacturers Association of India.

The event today demonstrates the desire of the Businessmen of the two countries to strengthen the existing ties and forge new business partnerships.

I welcome all the distinguished representatives of Indian companies who have travelled all the way from different parts of India to this beautiful city of Almaty.

I also welcome businessman from Kazakhstan and Kyrgyzstan, who have made a special effort to come to this meeting today.

I thank Mr. Vinnie Mehta for a very informative power point presentation on ACMA, Indian economy and automotive and automotive component industry of India.

The presentation not only clearly brought out the strengths and the high competitiveness of the automotive and automotive components industry of India, but also the vast potential of its further growth.

India has emerged as the fastest growing large economy in the world since the last quarter of 2014. According to projections released by IMF two days ago, India will grow at the rate of 7.3% in 2015 and 7.5% in 2016.

India has also emerged as the most favoured destination for foreign direct investment outpacing China and United States. The FDI inflows in India in the first half of the year stood at US\$ 31 bln, ahead of China's US\$ 28 bln and USA's US\$27 bln.

This demonstrates the significant impact being made by the Make in India campaign launched by the Hon'ble Prime Minister of India a year ago which has enthused both the domestic and international investors.

Focusing on the automobile and the auto components industry in India, after seeing Mr. Mehta's presentation, I can confidently say that it is one of the greatest success stories of Indian industry in recent times.

As noted by Mr. Mehta in his presentation, the Indian auto component industry has registered an average growth of 11% in the last five years reaching a turnover of US\$ 38.5 billion in 2014-15.

The impressive performance is led by increasing domestic consumption and exports. As you saw in the presentation, the exports of Indian components have grown on an average by 22% in the last five years to US\$ 11.22 bln.

The Industry is expected to touch a turnover of US\$ 115 billion and exports-US\$ 30 billion by 2020–21. This is an incredibly impressive growth and speaks a lot about the high quality and cost competitiveness of Indian products. I congratulate the Indian auto component industry for these ambitious targets.

Three months ago, we had a very successful visit of the Prime Minister of India to Kazakhstan. He placed a special emphasis on enhancing connectivity and developing economic cooperation between the two countries.

Kazakhstan is India's largest trade and investment partner in Central Asia and vice versa, India is the largest trade and investment partner of Kazakhstan in South Asia. Like India, Kazakhstan has also witnessed rapid economic progress in the last two decades.

Kazakhstan's gross domestic product has grown by 19 times since its independence and the per capita income reached \$13,000 dollars. It is undoubtedly the most developed and prosperous country in Central Asia.

Impelled by the prosperity, its automotive sector has witnessed a significant growth in the last few years. Today, every fifth Kazakh citizen owns a vehicle. Kazakhstan is also making significant investments in the infrastructure sector including roads and highways, which should further promote the growth of automotive sector in Kazakhstan.

Given this backdrop, I am glad that ACMA has taken this initiative to organize the first ever buyer seller meet between Indian auto component manufacturers and spare part dealers, distributors, importers and automobile manufacturers from Kazakhstan and Kyrgyzstan.

The meet offers immense opportunities for the Indian auto component manufacturers to cater to the Central Asian market in general and Kazakhstani and Kyrgyz markets in particular.

For Kazakh entrepreneurs interested in riding the wave of high economic growth in India, I would like to inform them that 100% Foreign Direct Investment is allowed under automatic route in this sector.

I thank Mr. Vinnie Mehta for giving me this opportunity to speak to you. I thank Kazakhstan Auto Business Association, Almaty Region National Chamber of Entrepreneurs, Kazhak OEM Autoprom for supporting this event.

I wish all the participants of the Buyer Seller meet a very fruitful and successful outcome.

Thank you.