Market for entry-level vehicles yet to recover: SIAM

Domestic PV sales up 11.3%, production rises 7.8% and exports up 3.35% in July

OUR BUREAU

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Sales of passenger vehicles (PVs) in the domestic market grew a robust 11.3 per cent in July on the back of some recovery in the economy, latest data by the Society of Indian Automobiles Manufacturers (SIAM) on Friday showed. PV sales were at 2.94 lakh units last month against 2.64 lakh units during the same period last year.

While PV production for the month under review grew 7.8 per cent at 3.59 lakh units (3.33 lakh units), exports were up 3.35 per cent at 54,073 units (52,319 units).

This data, however, does not cover performance of BMW, Mercedes, Tata Motors and Volvo, SIAM said.

On a cumulative basis for April-July 2022, PV domestic sales grew a robust 32 per cent at 12.04 lakh units (9.11 lakh units).

Production of PVs was up 25 per cent in April-July 2022 at 14.22 lakh units (11.34 lakh units in April-July 2021). Exports grew 19.6 per cent at 2.14 lakh units (1.79 lakh units).

Commenting on the July sales data, Rajesh Menon, Director General, SIAM, said "Market for entry level passenger cars, two-wheelers and three-wheelers are yet to recover. Sales of two-wheelers in July are still below July 2016 numbers and sales of three-wheelers are still below July 2016 numbers. Third hike in repo rates in a row, to rein in high inflation, will make auto loans costlier, making it more difficult for entry level vehicles to recover".

Menon hailed the government's recent decision to allocate higher amount of domestic gas for the CNG segment. This would significantly bring down the input cost of gas companies, he said.

"We hope, that in line with the government's intent, the gas companies would pass on the entire benefit to the end consumers by reducing retail CNG prices," Menon added.

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Two-wheeler sales

Total two-wheeler domestic sales for July stood at 13.81 lakh units, up over 12.60 lakh units in the same month last year.

However, exports of two-wheelers declined in July at 3.58 lakh units (3.77 lakh units).

Total production was marginally up at 17.71 lakh units in July compared to 17.08 lakh units in same month in previous year.

For the cumulative April-July 2022 period, two-wheeler domestic sales saw a robust growth of 39 per cent at 51.05 lakh units as compared to 36.74 lakh units in same period in previous year. However, exports saw a marginal dip at 15.06 lakh units (15.14 lakh units).

Total production of two wheelers recorded strong show at 66.05 lakh units, up 27 per cent over 51.99 lakh units in April-July 2021.

Three-wheeler sales

Domestic sales of three-wheelers in July stood at 0.31 lakh units, higher than 0.18 lakh units in same month last year. Exports of three wheelers was down in July 2022 to 0.38 lakh units (0.45 lakh units).

On a cumulative basis, the domestic sales more than doubled in April-July 2022 to 1.08 lakh units (0.43 lakh units). However, exports saw a decline in April-July 2022 at 1.35 lakh units (1.83 lakh units). Production of three wheelers was up in April-July 2022 to 2.40 lakh units (2.25 lakh units).

Companies' performance

Maruti Suzuki continued to top the industry charts with domestic sales of 1.43 lakh PVs (1.34 lakh in July 2021). PV exports of Maruti Suzuki, however, saw a dip in July at 20,003 units (21,003 units).

Maruti's total production of PV stood at 1.80 lakh units (1.68 lakh units). For April-July 2022, Maruti's production came in at 6.34 lakh PVs (5.29 lakh in April-July 2021).

Hyundai Motor recorded domestic sales of 50,500 PVs in July against 48,042 units in the same month last year. PV exports of Hyundai was up to 13,351 units in July from a level of 12,207 units in July.

On a cumulative basis, Hyundai's domestic sales in April-July 2022 was up at 1.86 lakh units (1.63 lakh units). Exports of PVs increased to 47,871 units from 42,088 units in same period last year.