

FY24 DOMESTIC SALES CONSOLIDATION

Tightening grip: Top six brands sold 92% cars

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New Delhi, 1 May

The Indian car market saw an increased consolidation in FY24, with the top six brands accounting for 92.6 per cent of domestic sales, while the bottom six could manage to garner a mere 2.9 per cent of the \$4.2 million market.

The increase in market share was led by Mahindra & Mahindra, Toyota and Maruti Suzuki.

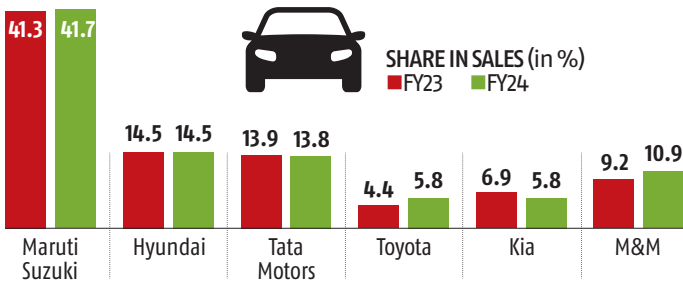
Based on data from the Society of Indian Automobile Manufacturers, in FY23 the share of the top six was 90.2 per cent, while the bottom six cornered 3.76 per cent of a \$3.8 million market.

The top six auto brands are: Maruti Suzuki, Hyundai, Tata Motors, Toyota, Kia and Mahindra & Mahindra. The bottom six are: Volkswagen India, Skoda, Nissan, Isuzu, PCA Automobiles India (part of Stellantis, which holds the Citroen brand) and FCA (Fiat Chrysler Automobiles).

The impact of the consolidation is evident from the fact that as many as one-fourth of the car companies could not garner even 1 per cent of the market share. These are Isuzu, Nissan, PCA and FCA. Moreover, nine companies have fallen short of the 5 per cent market-share mark, which, many auto analysts say, is needed to have a viable business.

Many of the well-established global car makers saw a substantial drop in sales in the domestic market. One key reason for that is

HOW TOP SIX DOMESTIC BRANDS FARE



Source: Based on SIAM data

the lack of new models.

For instance, Honda saw a sales drop of over 5 per cent in FY24 and touched a market share of just over 2 per cent. It is now pegging its hopes on the launch of its SUV, Elevate, in India in September last year. Honda has been saddled with ageing models like the Honda City, which lost its market leadership.

Isuzu, which had come to India with a big bang, sold only 515 vehicles in FY24 — a drop of more than 47 per cent over the previous year. Analysts say that the company's problem has been its expensive positioning and delays in bringing new models. And Nissan, which had earlier talked about hitting a market share of 5 per cent in 2020, went in the negative in FY24, with sales plummeting by 10 per cent, which brought its market share down to less than 1 per cent.

Volkswagen India has said recently that it would be looking

at a 15 per cent growth in sales in India in CY 2024. However in FY24 its domestic sales grew by only 4.5 per cent.

Volkswagen group company, Skoda Auto India, has also moderated its ambition in the country and is now looking at a 5 per cent market share by 2030. However, its global CEO, Klaus Zellmer, has said this year that India will play a crucial role in its international expansion. In FY24 its sales fell by around 15 per cent in the Indian market and its market share fell to 1.05 per cent.

Meanwhile, many of the companies are pushing for exports to make up for the low domestic sales. For example, Volkswagen India sold more cars abroad than in India, with exports going up by a substantial 62 per cent to hit over 44,000 vehicles in FY24. Renault and Nissan are following the same tack, though their exports have fallen sharply this year.