

Strong demand, better chip supply push PV wholesales to record high

FE BUREAU
New Delhi, August 1

WITH DEMAND REMAINING consistently strong and the semiconductor supply being much better than what it was late last year, the automotive industry registered the highest-ever monthly wholesale despatches of passenger vehicles (PVs) in July at 342,326 units, surpassing the previous best of 334,471 units in October 2020. They are also substantially higher than 295,000 units despatched in July last year.

The record figures have come on the back of the industry witnessing PV volumes of more than 900,000 units during two consecutive quarters. The total wholesale despatches of PVs stood at 920,661 units in Q4 FY22 and 910,431 units in Q1 FY23.

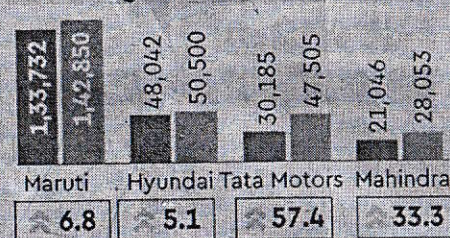
Maruti Suzuki India's domestic PV wholesales increased 6.82% year-on-year (y-o-y) to 142,850 units in July. Senior executive director for marketing and sales, Shashank Srivastava, told *FE* volumes have improved as production has improved. "We are still not 100% (in terms of production) due to semiconductor shortage. The pending bookings are at 335,000 with those for new models like Grand Vitara and Brezza crossing 100,000 cumulatively," he said.

Due to the paucity of semiconductors, Maruti could produce only 40% of its planned output in September 2020. However, production reached 93-95% in May, June and July, as the supply improved.

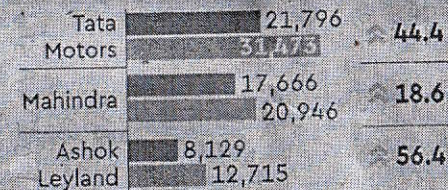
"We have seen that the wholesales have been slightly more than retails in the indus-

Domestic wholesales (in units) ■ July 2021 ■ July 2022 Growth (% y-o-y)

● Passenger vehicles



● Commercial vehicles



● Two-wheelers



try, as a result of which the stock has gone up from 120,000 units in April to 212,000 units. We have to watch how retail moves. But the booking trend seems to be quite strong," Srivastava said.

Domestic volumes of Hyundai Motor India (HMIL) jumped 5.12% y-o-y to 50,500 units in July. Tata Motors continued to remain on a growth trajectory with its wholesale despatches increasing 57.38% y-o-y to 47,505 units, the highest-ever for the company during a month.

"With the improvement in the semiconductor situation, the PV segment is showing positive trends riding on the green shoots of pent-up demand and customer desire

towards personal mobility," said Tarun Garg, director (sales, marketing and service), HMIL, adding that the company continues to remain optimistic towards the future prospects of the Indian auto industry.

Mahindra & Mahindra's PV wholesales rose 33.3% y-o-y to 28,053 units, while Kia India saw its volumes climbing 46.66% y-o-y to 22,022 units. Besides, Toyota Kirloskar Motor clocked its highest-ever domestic wholesales of 19,693 units, registering a jump of 50.27% y-o-y.

The two-wheeler segment finally witnessed some relief ahead of the festive season. Analysts believe the volumes might improve further.