

Slow despatch pulls down PV retail sales by 5% in Jul

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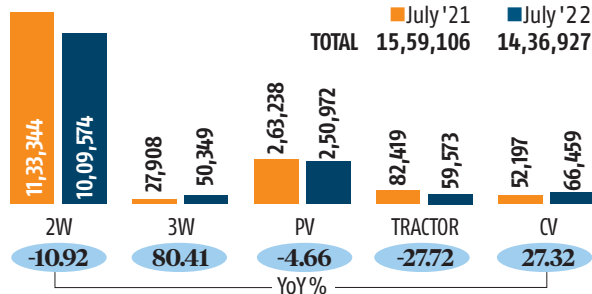
Registration or retail sales of passenger vehicles (PVs) fell 4.66 per cent year-on-year (YoY) in July, even as demand remains robust across the industry, said the Federation of Automobile Dealers Associations of India (FADA) on Thursday.

The lower retail of PVs — attributable to the delayed arrival of consignments from factories to distribution channels — is in sharp contrast to the wholesale despatch numbers.

PV despatches are estimated to have reached a record high of 342,300 units, advancing 16 per cent in the month gone by as chip woes eased, enabling manufacturers to ramp up demand, companies said on August 1.

The same cannot be said of two-wheelers that continue to reel from the impact of incessant price hikes, inflationary trend, and poor demand in rural India.

DROPPING A GEAR



Source: FADA Research

Retail sales of scooters and motorcycles skid 11 per cent YoY during the month, dragging down aggregate retail sales by 8 per cent YoY, said a dealer body.

The total registration (all segments) during the month dropped to 1,436,927 units, compared with 1,559,106 units in the corresponding month last year.

“For cars, the issue is still one of supply, not of demand. Had dealers got vehicles on time, they would have sold more,” said Vinkesh Gulati,

president, FADA.

Owing to semiconductor shortages, manufacturers tend to despatch more after the 15th of the month. “The PV segment is witnessing a dream run as retail sales are already higher than 2019,” he said.

The month gone by saw erratic monsoon — some states received less rainfall, others received more.

Tractor sales, which were showing good growth until a month ago, saw a steep contraction of 27 per cent YoY to 59,573 units in July.