

Two-wheelers drag retail auto sales in Dec

Year ends with 5% fall in sales, after cruising for 2 months: FADA

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Automotive (auto) retail sales in India saw a 5 per cent dip in December 2022 after a two-month good run, mainly due to a 11 per cent decline in two-wheeler sales, reveals data released by the Federation of Automobile Dealers Associations (FADA). The downer comes at a time when FADA's wholesale numbers revealed better figures earlier this month.

Other than two-wheelers, FADA numbers showed all other categories being in the green in December, with three-wheeler, passenger vehicle (PV), tractor, and commercial vehicle during the same period posting growth of 42 per cent, 8 per cent, 5 per cent, and 11 per cent, respectively.

Commercial vehicle sales figures out early this month were up 20 per



SHIFTING GEARS

■ December ■ Calendar year

	2021	2022	% Change
Three-wheelers	44,983 373,562	63,655 640,559	41.51 71.47
Commercial vehicles	60,491 655,696	66,945 865,344	10.67 31.97
Passenger vehicles	258,921 2,949,182	280,016 3,431,497	8.15 16.35
Two-wheelers	1,275,894 13,573,682	1,133,138 15,388,062	-11.19 13.37
Tractors	74,653 769,638	78,563 794,979	5.24 3.29

Source: FADA

cent, tractor sales 28 per cent, PVs 8 per cent, and two-wheelers marginally up 2 per cent, highlighted a report by Axis Securities.

The Indian auto industry's domestic PV sales in December 2022 were 276,000 units, 8.3 per cent higher than in December 2021, according to company numbers.

"Due to rise in inflation, increased cost of ownership in the rural market yet to pick up fully, and buoyant elec-

tric vehicle (EV) sales, the internal combustion engine two-wheeler segment is yet to see green shoots," said Manish Raj Singhania, president, FADA.

However, FADA numbers showed that compared to the pre-Covid month of December 2019, total retails were down 12 per cent. The two-wheeler segment pulled down total sales as they fell 21 per cent. All the other categories like three-wheeler,

PV, tractor, and commercial vehicle showed growth of 4 per cent, 21 per cent, 27 per cent and 9 per cent, respectively.

For Calendar 2022 (CY22), while total vehicle retails grew 15 per cent on-year and 17 per cent compared with Calendar 2020 (CY20), it failed to surpass 2019 (CY19) retails — a pre-Covid year — and registered a fall of 10 per cent.

The PV category during this

period continued to gain new ground by clocking 3.43 million retails during the full year. This is by far the highest retails PVs have done to date. The two-wheeler segment failed to impress in 2022 as retail sales during December 2022 continued to fall after two good months.

He added the approaching Bharat Stage (BS) VI Phase II norms in April and the plan to make six airbags mandatory are expected to increase the cost of vehicles in the months ahead, putting a dampener on the industry.

"In India, demand will sustain in 2023 in all segments. There will not be any impact felt either of the global slowdown or of China's Covid outbreak," said a senior executive of a commercial vehicle major.

The three-wheeler segment is on the mend and has almost closed the gap that had widened after the pandemic breakout. Within the segment, it is the electric rickshaw sub-segment showing threefold growth, consequently pushing the EV market share above the 50 per cent mark.