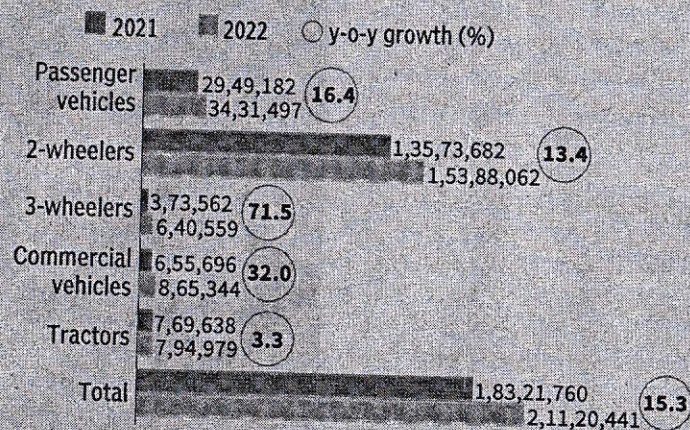
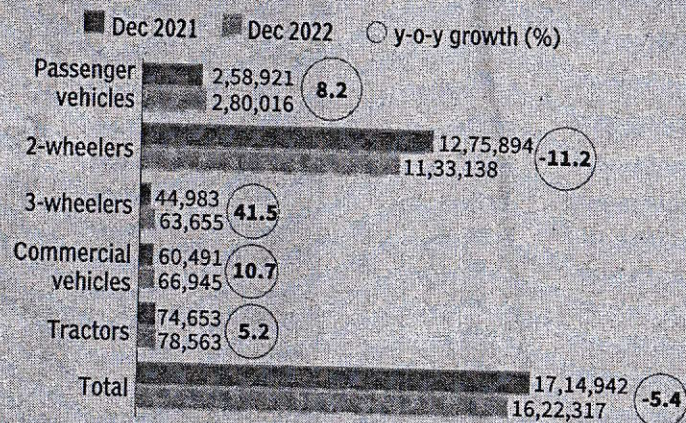


After festive rush, auto sales slow down in Dec

All-India vehicle retail sales



Source: FADA

Our Bureau
New Delhi

The auto industry went into a lull in December 2022, after the adrenaline rush witnessed in October and November, said the Federation of Automobile Dealers' Association (FADA).

Retail sales of vehicles across categories declined by more than 5 per cent to 16,22,317 units during the month, compared with 17,14,942 units in December 2021, mainly due to a decline in two-wheeler sales, monthly data from FADA said.

Two-wheeler (2W) retail sales declined more than 11 per cent year-on-year (y-o-y) to 11,33,138 units (12,75,894). However, passenger vehicle (PV) sales grew more than 8 per cent y-o-y to 2,80,016 units (2,58,921). Three-wheeler (3W) sales, too, posted over 41 per cent y-o-y growth

63,655 units (44,983 units).

Similarly, commercial vehicle (CV) retail sales grew 11 per cent y-o-y to 66,945 units (60,491) and tractor sales were up over 5 per cent y-o-y at 78,563 units (74,653).

"Compared to the pre-Covid month of December 2019, total retail sales were down 12 per cent. Again, a 21 per cent drop in 2W sales pulled down total sales. All the other categories, including 3W, PVs, tractors and CVs showed growth of 4 per cent, 21 per cent, 27 per cent and 9 per cent, respectively," Manish Raj Singhania, President, FADA, said.

Retail sales in the 2W segment fell on account of the rise in inflation and increased cost of ownership. The rural market is yet to pick up fully and the internal combustion engine (ICE) 2W segment is yet to see any green shoots, Singhania said.

On a yearly basis, retail sales across categories grew more than 15 per cent to

2,11,20,441 units, compared with 1,83,21,760 units in 2021. PV sales grew more than 16 per cent to 34,31,497 units (29,49,182), the data released by FADA showed. Similarly, 2W retail sales grew more than 13 per cent to 1,53,88,062 units (1,35,73,682) and CV and 3W sales also grew by double digits.

GLOBAL OUTLOOK

Geopolitical headwinds, a tightening monetary policy and the lingering effect of the pandemic have combined to create a gloomy global outlook, said Singhania.

"The RBI has also increased the repo rate by 225 basis points since May 2022. Apart from this, the adoption of BS-VI phase-2 norms will lead to further price hikes across categories. To counter this, auto manufacturers should announce special schemes so that the retail sales momentum continues," he added.