

# Automobile sales revved up 11% in Sept amid festival fervour: FADA

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India's retail vehicle sales across categories increased by 11 per cent year-on-year (YoY) in September, said the Federation of Automobile Dealers Association (FADA) on Tuesday.

Still, the industry is yet to hit the pre-Covid levels as the latest sales number is 4 per cent less than that in September 2019, indicating that rural demand is yet to pick up. In September this year, two-wheeler sales were up 9 per cent YoY and three-wheelers by 72 per cent YoY.

Passenger and commercial vehicle sales increased by 10 per cent and 19 per cent respectively. Tractor sales declined 1.5 per cent. The industry body expects to see

auto retail on the high ground in October because of the ongoing festival season.

"Auto retail for September 2022 saw overall growth of 11 per cent. September witnessed the 'inauspicious period' of Shradh from September 10 to 25 and then a festival period, with the start of Navratri on September 26. Due to this, the full potential for the month was not realised," said Manish Raj Singhania, president, FADA.

Retail sales in the two-wheeler segment fell 14 per cent from September 2019. "Due to increased input costs, two-wheeler companies raised prices by five times in the past year. Apart from this, the Reserve Bank of India's fight with inflation saw rate hikes, which continued to make vehicle



loans expensive. While India is showing revival signs, Bharat is yet to perform. Two-wheelers, especially entry-level vehicles, are finding extremely few buyers, thus dragging the entire segment," he added.

The FADA said the three-wheeler segment is seeing a

structural shift from internal combustion engines to electric vehicles, which is reflected in the 'extremely healthy' growth rate of e-rickshaw. The better availability of vehicles with the full range of products, including those powered by alternative fuel, and customers using more public

transport and rickshaw services also fuelled demand in the three-wheeler segment.

In the CV segment, growth mainly came from heavy commercial vehicles, which showed growth of 40 per cent per year. "Reasons like better availability of vehicles, festivities,

bulk fleet purchase, and the government's continued push for infrastructure development made this segment shine," Singhania said.

The association said that better availability due to easing semiconductor supply, new launches, and feature-rich

## ON RECOVERY TRACK

	Sep '22	Sep '21	% change
Two-wheeler	1,015,702	931,654	+9
Three-wheeler	63,915	37,172	+73
Passenger vehicle	260,556	237,502	+10
Commercial vehicle	71,233	59,927	+19
Tractor	52,595	53,392	-1.5

Source: FADA

products kept customers glued to dealerships for getting their favourite vehicles during the auspicious period, which resulted in improved numbers of passenger vehicles. "The waiting period continues to range between three months and 24 months, especially for SUVs and compact SUVs, which have become the absolute choice for today's customers," he said.

"The enquiry level in the two-wheeler segment is showing positive movement. If this segment, especially entry-level two-wheelers, also performs well, improving its growth to low double digits, overall auto retail will see higher growth compared to last two festivals but may still lag pre-covid numbers of October 2019," a FADA statement said.