

Vehicle sales accelerate 14% on weddings, rural demand

SHIFTING GEAR

Category	Jan '22	Jan '23	% chg
Two-wheeler	1,149,351	1,265,069	10.07
Three-wheeler	41,487	65,796	58.59
Passenger vehicle	279,050	340,220	21.92
Tractor	67,764	73,156	7.96
Commercial vehicle	70,853	82,428	16.34
Total	1,608,505	1,826,669	13.56

Source: FADA

SHINE JACOB

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Driven by festival and wedding seasons and more money in the hands of rural population through crop sales, automobile retail sales in India witnessed a 14 per cent year-on-year (YoY) jump in January, said data shared by the Federation of Automobile Dealers Associations (FADA).

All categories of vehicles were in the green, with sales of two-wheelers, three-wheelers, passenger vehicles, tractors, and commercial vehicles growing 10 per cent, 59 per cent, 22 per cent, 8 per cent, and 16 per cent respectively. "Besides festival push and beginning of 'auspicious days', factors that contributed to sales increase were the arrival of 2023-made vehicles and a lot of weddings. Overall, demand was up, especially in the passenger car segment. We have a decent order book available for passenger cars, which is why the overall health of the auto industry has been good," said Manish Raj Singhania, president, FADA. He said farmers getting a decent price for their produce also pushed growth during January.

But January 2023 retail sales were still down by 8 per cent when compared with the pre-Covid period of January 2020. FADA said that in the two-wheeler segment, while sentiment is improving at "a snail's pace" and better than what it was a year ago, the rural market is yet to fully come to the party as the cost of ownership has shot up significantly, though disposable income has not increased in the same ratio.

The three-wheeler segment witnessed 60 per cent retail sales growth YoY and posted 101 per cent growth when compared with January 2021; sales were still down 3 per cent against the pre-pandemic level in January 2020. The passenger vehicle segment continued to perform well with growth of 22 per cent YoY, 10 per cent over January 2021, and 8 per cent over January 2020.

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