

Auto Sales Skid in Oct, But Festive Demand Strong

Vehicle registrations decline 8% on year, but sequentially up amid surging demand for passenger vehicles & CVs driven by infra push

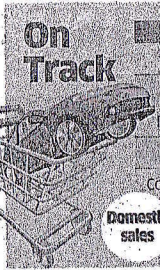
Our Bureau

New Delhi: Vehicle registrations—a proxy for retail sales—declined by 8% last month with customers deferring deliveries during the inauspicious 'shraddh period'. However, buyer sentiments remain strong in the ongoing festive season. According to data collated by Federation of Automobile Dealers Association (FADA), 2,117,596 vehicles were registered last month, which is a decline of 7.73% over 2,295,099 units sold in the same period last fiscal. Vehicle sales, however, rose by 12.51% sequentially indicating resilient demand in the local automobile market. FADA President Manish Raj Singhania said, "The month (Oc-

tober) commenced under the shadow of the inauspicious Shraddh period, persisting until the October 14. Consequently, a YoY comparison may not accurately reflect the actual trajectory of growth in the Indian auto retail sector. When compared MoM, auto-retails flourished, achieving a 13% increase, with contributions from all categories."

While sales of two-wheelers went up by 15% on a month-on-month basis, those of three-wheelers and passenger vehicles increased by 2.23% and 6.54%, respectively. Registrations of tractors and commercial vehicles went up by 14.5% and 9.8% sequentially.

Consumer demand was particularly strong during the Navratri with retail sales surging by 18% ye-



Category	Oct 2023	YoY	MoM
Two-wheelers	1,507,756	-12.6	14.9
Three-wheelers	104,711	45.6	2.2
Passenger vehicles	353,990	-1.4	6.5
Tractors	62,440	6.2	14.6
Commercial vehicles	88,699	10.3	9.8
Total	2,117,596	-7.7	12.5

Domestic sales

Source: Federation of Automobile Dealers Associations (FADA)

ar-over-year, surpassing the figures of Navratri 2017. Except for tractors, which saw a decline of 8% (to 19,218 units), all categories reported good growth. Two-wheelers, three-wheelers, commercial vehicles, and passenger vehicles experienced increases of 22% (to 540,325 units), 43% (to 32,210 units), 9% (to 27,446 units), and 7% (140,082 units), respectively. Singhania informed two-wheelers sales saw strong traction

last month, buoyed by rural demand and better availability of models as well as financing solutions. "States going into elections also injected optimism into the market, leading to an increase in government spending and improved liquidity. Despite a shift in festival dates, with Diwali moving to November, the anticipation of the festive season stimulated purchase intent and dealers reported good stock preparation and robust ground efforts that led to an uptick in sales figures, showcasing a resilient and adaptive market", he said.

Two-wheeler stocks in the network stand at 40-45 days.

In the three-wheeler segment, a rise in demand for e-rickshaws helped up volumes. Strategic price support from manufacturers during

the festivals also helped increase retail sales of commercial vehicles.

Singhania said, "The demand for light and small commercial vehicles surged, driven by infrastructure development activities and the need for vehicle replacement. Healthy demand was witnessed especially in segments like cement, iron ore and coal transport."

Passenger vehicle makers did record an uptick in bookings during the Navratri due to the introduction of new models, particularly in the SUV segment. "However, the impact of local elections and market saturation meant that the festive spirit didn't translate uniformly into sales across all regions", Singhania said. Inventory of passenger vehicles in the channel currently stands at 63-66 days.