December auto sales disappoint dealers in both PV, 2W categories

IN WAIT AND WATCH MODE. Sentiment for January remains cautiously optimistic, says FADA report

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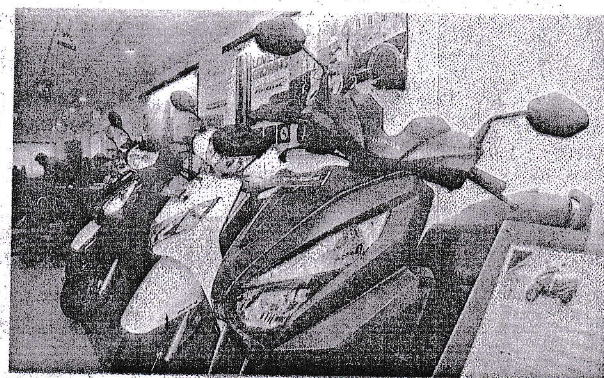
Auto dealer sentiment for January remains cautiously optimistic, with nearly half (48.09 per cent) of surveyed dealers anticipating growth, 41.22 per cent expecting stable demand and only 10.69 per cent foreseeing a decline, the Federation of Automobile Dealers Associations (FADA) said on Tuesday.

In the two-wheeler (2W) segment, improved MSP and rural fund inflows could bolster sales, although financing challenges persist. The rise of electric vehicles (EVs) in this segment will also begin to impact entry-level 2W market share, CS Vigneshwar, President, FADA, said.

The commercial vehicle (CV) segment may see a mild uptick — Q4 is traditionally stronger — but progress will hinge on the pace of infrastructure projects and easier credit approvals, FADA said.

In terms of monthly sales, the PV retail sales declined almost 9 per cent year-on-year (y-o-y) in December 2024 to 2,93,465 units compared with 2,99,351 units in December 2023.

"Poor market sentiment, limited new model launches and intense price competition among co-dealers further impacted sales. While some dealers benefited from year-end schemes and expanded product ranges, overall demand remained subdued, with many customers deferring purchases to January for anticipated benefits," Vigneshwar said.



POOR SHOW. Two-wheeler retail sales declined more than 54 per cent to 11,97,742 units during December

2W RETAIL SALES

The two-wheeler retail sales declined more than 54 per cent y-o-y to 11,97,742 units during the month (as against 14,54,353 units).

"Supply challenges for popular models and the growing push toward EVs further weighed on volumes. Many dealers also mentioned that heightened discounts and limited financing options failed to offset weak demand," Vigneshwar said. Because of the decline in both segments, the total retail sales of vehicles declined 45.26 per cent to 17,56,419 units (20,07,042 units).

However, in terms of calendar year (CY) sales, both PV and 2W performed much better with PV sales growing more than 5 per cent and 2W sales almost 11 per cent y-o-y.

In the 2W retail sales, the total sales grew at 1,89,12,959 units during the year (1,70,72,932 units). In terms of market share, market leader Hero MotoCorp's share dropped to 29.02 per cent in CY24 (31.33 per cent) and Bajaj Auto's also dropped marginally to 11.55 per cent in 2024 (11.84 per cent).

However, the market share of the second-largest 2W manufacturer, Honda Motorcycle & Scooter India, grew at 25.37 per cent in CY24 (23.25 per cent), the FADA data indicated. Also, TVS Motor's market share grew at 17.13 per cent (16.81 per cent).

OTHER SEGMENTS

PV sales grew at 40,73,843 units in 2024 (38,73,381 units). Three-wheeler sales grew 10.49 per cent to 12,21,909 units in 2024 (11,05,942 units). CV retail sales grew marginally to 10,04,856 units in CY24 (10,04,120 units).

Overall, the total retail sales of all categories grew 9.11 per cent to 2,61,07,679 units during CY24 (2,39,28,293 units).