

Auto sales rose 13% in Feb, see tough Mar ride

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Chennai, 7 March

India's automobile retail sales jumped 13 per cent in February to 2.03 million units, compared to 1.79 million units in February 2023. The increase is attributed to enhanced vehicle availability, improved demand due to economic conditions, and the impact of marriage season, according to the data from the Federation of Automobile Dealers Associations (Fada).

However, the sector expects the upcoming Lok Sabha elections to play spoilsport in terms of sales due to potential deferred purchases across segments.

Passenger vehicles (PVs) achieved record-breaking sales in February, soaring 12 per cent to 330,107 units, as compared to 293,803 units in

February last year.

Other vehicle category, including two-wheeler, three-wheeler, tractors, and commercial vehicles, registered growth rates of 13 per cent, 24 per cent, 11 per cent, and 5 per cent, respectively. February 2023 also marked the highest sales ever recorded for commercial vehicles, three-wheelers, and tractors.

"The PV segment recorded a 12 per cent Y-o-Y growth, marking the highest February sales figures ever, driven by new product introductions and enhanced vehicle availability. Elevated inventory levels in the PV segment, remaining at 50-55 days, pose a significant concern, necessitating original equipment manufacturers to adjust production to reduce dealer carrying costs," said Manish Raj Singhania, president, Fada.

GEARING UP

| | SALES | | Y-o-Y chg (in %) |
|---------------------|------------------|------------------|------------------|
| | Feb '23 | Feb '24 | |
| Two-wheeler | 1,271,073 | 1,439,523 | 13.25 |
| Three-wheeler | 76,619 | 94,918 | 23.88 |
| Passenger vehicles | 293,803 | 330,107 | 12.36 |
| Tractor | 69,034 | 76,626 | 11.00 |
| Commercial vehicles | 84,337 | 88,367 | 4.78 |
| TOTAL | 1,794,866 | 2,029,541 | 13.07 |

Source: Fada