

# Dealer sentiment for July tilted towards slowdown: FADA

**SPEED BREAKERS.** Agrarian tailwinds, rare-earth shortages, US tariff concerns to impact

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Evolving geopolitical tensions and potential spill over from the US tariff measures warrant vigilant supply-chain management and could temper consumer sentiment, Federation of Automobile Dealers Associations (FADA) said on Monday. Also, challenges in securing rare-earth materials have stalled component production, further constraining supply and retail volumes, it said.

"As we enter July, dealer sentiment appears tilted towards slowdown — flat and de-growth expectations (42.8 per cent and 26.1 per cent) exceed growth forecasts (31.1 per cent). Similarly, booking-pipeline traction remains uneven — only 21 per cent of two-wheeler (2W), 38 per cent of passenger vehicle (PV) and 32 per

## Bumpy road

Category	June'25	June'24	YoY %
Passenger Vehicles	2,97,722	2,90,593	2.45
Two-Wheelers	14,46,387	13,81,040	4.73
Three-Wheelers	1,00,625	94,326	6.68
Commercial Vehicle	73,367	68,825	6.60
Tractor	77,214	71,047	8.68
<b>Total</b>	<b>20,03,873</b>	<b>19,11,354</b>	<b>4.84</b>

Source: FADA Research

cent of commercial vehicle (CV) dealers report healthy enquiry flows," CS Vigneshwar, President, FADA, said while sharing the monthly retail sales data.

In the 2W arena, early monsoon showers and renewed rural activity have spurred interest, yet heavy rainfall, variant shortages and price increases effective July are moderating conversions, he said.

"PV faces high-base effects, limited new-model launches and tight financing, offset in part by festival planning and fresh incentive

schemes. CV continues to grapple with muted infrastructure demand, higher ownership costs from new taxation and mandatory AC-cabin norms, even as extended order pipelines provide some relief," Vigneshwar said.

### MIXED BAG IN JULY

Overall, July is likely to witness mixed fortunes — driven by agrarian tailwinds and school re-openings, yet tempered by seasonal headwinds, elevated price-points and liquidity constraints, he added.

On monthly retail sales, the industry body shared that PV sales grew 2.45 per cent to 2,97,722 units in June as compared with 2,90,593 units in the corresponding month last year. "Some dealers indicated that certain PV makers have introduced compulsory billing procedures such as automatic wholesale debits, to meet volume targets; inventory consequently stands at around 55 days. June, thus, painted a picture of modest but steadfast PV performance amid varied market cues," Vigneshwar said.

Similarly, 2W sales grew around 5 per cent to 14,46,387 units (13,81,040 units). On 2W, the FADA President said that rising EV penetration also shaped buying patterns. "Overall, June demonstrated a resilient two-wheeler performance amid mixed market signals," he said.