

Auto sales shrug off rare earth, tariff clouds to log June gains

Increase nearly 5%; retail sales of PVs see 2.5% rise, according to Fada data

SHINE JACOB

Chennai, 7 July

Retail sales of passenger vehicles (PVs) saw a 2.5 per cent year-on-year rise in June, while overall automobile sales grew by 5 per cent against the backdrop of a high base of last year and amid the ongoing clouds of uncertainties due to the rare earth crisis and US tariffs.

“Last month was better than expected, as we were expecting slightly lower growth. This may grow further. The positive is that the monsoon has been good, while the US tariff issue and Chinese rare metal issue were major concerns for the industry. As of now, none of the original equipment manufacturers have raised any supply shortage due to the rare earth crisis,” CS Vigneshwar, president of the Federation of Automobile Dealers Associations (Fada) said on Monday.

Vigneshwar also said that evolving geopolitical tensions and potential spillover from the US tariffs measures warrant vigilant supply chain management, and they could temper consumer sentiments. “Also, challenges in securing rare-earth materials have stalled component production, further constraining supply and retail volumes,” the Fada president cautioned. The inventory for the month was seen at 55 days at the dealers end, while wholesale PV sales remained flat for the



Joy ride

All-India vehicle retail data (in units)

Category	June '25	Y-o-Y %
Two-wheelers	1,446,387	4.73
Three-wheelers	100,625	6.68
Passenger vehicles	297,722	2.45
Tractors	77,214	8.68
Construction equipment	8,558	54.95
Commercial vehicles	73,367	6.60
Total	2,003,873	4.84

Source: Fada Research

month. Meanwhile, the first quarter of 2025-2026 (Q1FY26) saw a 2.59 per cent growth in the retail sales of passenger vehicles.

The overall passenger vehicle sales were seen up from 290,593 units in June 2024 to 297,722 units in June 2025. The top six players

including Hyundai Motor (down by 2 per cent) and Tata Motors (down 8 per cent) saw a decline in sales. Market leader Maruti Suzuki India saw a marginal rise of 0.5 per cent, Mahindra & Mahindra over 11 per cent, Toyota Kirloskar Motor over 15 per cent, and Kia India around 7 per cent during the month under review.

The overall automobile retail sales for the month of June 2025 recorded a 5 per cent growth on year to 2.004 million, up from 1.91 million in June 2024. Segment-wise, every category closed in the green, with two-wheelers moving up by 5 per cent, three-wheelers by 6 per cent, tractors by 9 per cent, and commercial vehicles by 7 per cent, in addition to 2.5 per cent for passenger vehicles.

Overall automobile retail volume for Q1 witnessed a 4.85 per cent rise, with PV up 2.59 per cent and two-wheelers at 5 per cent, alongside three-wheelers up by 12 per cent, commercial vehicles by a marginal 1 per cent, construction equipment by 11 per cent, and tractors by 6 per cent.

“While two-wheelers showed some early-cycle softness, we remain confident of a robust ramp-up in the coming months as seasonal demand and targeted OEM initiatives take effect,” Vigneshwar added. But month-on-month (M-o-M) figures were not impressive. PV retail sales in June slipped 1.49 per cent when compared to May.