

Flood, landslides may hit auto sales in coming months: FADA

TARIFF FALLOUT. The additional 25% may cause import-cost pressures on exporters

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While the monsoon outlook through August-September appears broadly supportive, the localised flood and landslides in select areas may hamper automobile sales in the coming months, Federation of Automobile Dealers Associations (FADA), said on Thursday.

Also, external headwinds have emerged as the US administration's imposition of an additional 25 per cent tariff on Indian exports has precipitated a 0.4 per cent dip in benchmark equity indices and a depreciation of the rupee, injecting volatility into financial markets, the auto retail sector body said.

"The resulting wealth erosion and import-cost pressures on exporters could erode consumer confidence, trigger a precautionary rise in household savings and exert downward



Bumpy road

Category	July 2025	July 2024	y-o-y %
Passenger vehicles	3,28,613	3,31,280	-0.81
Two-wheeler	13,55,504	14,49,487	-6.48
Three-wheeler	1,11,426	1,10,511	0.83
Commercial vehicles	76,439	76,261	0.23
Tractor	88,722	79,961	11
Total	19,64,213	20,52,759	-4.31

Source: FADA

pressure on discretionary spending — including on vehicles — over the near term," CS Vigneshwar, President, FADA, said while sharing the monthly sales data.

By harnessing precision-targeted promotions, partnership-driven finance solutions and dynamic rural-urban engagement, the industry can navigate these headwinds and anchor itself

on a trajectory of sustained retail growth, he said.

GUARDED OPTIMISM

"We enter August with a sense of guarded optimism, confident in the upside but ever mindful of the risks," he added. In the monthly retail sales data, FADA reported the passenger vehicle segment declined around 1 per cent to 3,28,613 units in July as compared with 3,31,280

units in July last year. In the two-wheeler space, July saw a 6.48 per cent decline to 13,55,504 units (14,49,487 units). In the three-wheeler segment, the retail segment grew around 1 per cent to 1,11,426 units (1,10,511 units). The commercial vehicle segment also grew marginally to 76,439 units (76,261 units). Tractor sales grew 11 per cent to 88,722 units (79,961 units).

In total, the sales across categories declined 4.31 per cent to 19,64,213 units (20,52,759 units). "After three consecutive months of growth, India's auto retail sector applied the brakes in July, with overall retail declining 4.31 per cent," Vigneshwar said.

This pullback largely stems from a high-base effect in July 2024, when an extreme heat wave was immediately followed by excessive rainfall, constraining volumes before a rebound later that month, he added.