

Auto retail sales rise 32% in Oct

Inventory levels improve from record high in Sept

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Automobile retail sales increased 32 per cent in October from the year before, helped by festival demand, especially for two-wheelers and passenger vehicles, said a dealers' association on Wednesday.

October clocked overall retail sales of 2.83 million, the second highest number after 2.85 million in November 2023, according to data from the Federation of Automobile Dealers Association (FADA). Two-wheeler (2W) sales increased 36 per cent and passenger vehicle (PV) 32 per cent in October. Three-wheeler sales were up 11 per cent, commercial vehicles 6 per cent and tractors 3 per cent. Overall retail sales increased 64 per cent compared to September.

"October witnessed the convergence of two major festivals, Navratri and Diwali, both occurring in the same month. Additionally, the government of India's announcement of an increase in the minimum support price (MSP) for rabi crops further boosted market sentiment. We are expecting the same trend this month (November)," said C S Vigneshwar, president of FADA. Some 5 million weddings are scheduled in November and December.

Most automobile companies reported improved PV and 2W sales in October. Maruti Suzuki posted a record 35 per cent rise in sales (199,675 units), followed by Hyundai Motor (30 per cent), Tata Motors (31 per cent), and Mahindra and Mahindra (56 per cent). As many as 483,159 PVs were sold last month when inventory levels declined to 75-



SPEEDING UP

Retail vehicle sales in October 2024

Category	Oct sales	M-o-M% chg	Y-o-Y% chg
2W	2,065,095	71.48	36.34
3W	122,846	15.32	11.45
PV	483,159	75.26	32.38
Tractor	64,433	3.02	3.08
CV	97,411	31.06	6.37
Total	2,832,944	64.39	32.14

Source: FADA Research

80 days due to stock correction by companies. Inventory levels in September touched a record high of 80-85 days. The improvement may still lead the season of discounts to continue until the end of 2024.

Two-wheeler market leader Hero Motocorp posted a 38 per cent rise in sales (576,532 units), followed by Honda Motorcycle and Scooter India (37 per cent), TVS Motor (39 per cent), and Bajaj Auto (28 per cent). The overall sales in the segment was seen at 20.65 million units.

"Dealers reported that attractive festive schemes, discounts and new model launches significantly stimulated customer interest. Enhanced stock availability and better vehicle supplies from manufacturers enabled dealers to meet the increased demand. Positive rural sentiments, aided by favourable monsoons and crop expecta-

tions, also contributed to the strong performance," said Vigneshwar. As many as 97,411 commercial vehicles were sold in October, up 6 per cent from last year. Factors contributing to this included supportive agricultural markets and bulk purchases, particularly for container movements. However, dealers faced challenges such as slow demand, sluggish construction activities, financial issues among customers and increased vehicle prices leading to higher EMIs. Overall, while there were areas of growth, the commercial market faced headwinds.

"Overall, while the industry is optimistic about near-term growth driven by the wedding season and favourable market conditions, dealers are mindful of potential challenges that could affect sales momentum as the year concludes," Vigneshwar added.