

# 2Ws drive growth as auto retail sales rise 27% in Apr

Demand grew for all automobile categories on stable fuel prices

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Automobile retail sales grew 27 per cent in April to 2.2 million units compared to the year before as demand grew in all categories and fuel prices were stable, said a group representing auto dealers.

A favourable monsoon outlook, festivals and wedding helped sales too, according to the Federation of Automobile Dealers Associations (FADA). As many as 1.74 million units were sold in April 2023.

In April 2024, two-wheeler (2W), three-wheeler (3W), passenger vehicle (PV), tractor and commercial vehicle (CV) sales grew by 33 per cent, 9 per cent, 16 per cent, 1 per cent, and 2 per cent. Industry experts believe that despite the growth in April, election uncertainty is delaying customers' purchasing decisions.

As many as 335,123 PVs were sold in April to mark a record. "The PV category experienced double-digit Y-o-Y (year-on-year) growth, supported by enhanced model availability and favourable market sentiments, particularly around festive events like Navratri and Gudi Padwa," said Manish Raj Singhania, FADA's president. As many 289,056 PVs were sold in April 2023.

"Despite strong bookings and customer flow, high com-



## SALES IN TOP GEAR

	Apr '23	Apr '24	Change (%)
Two-wheelers	1,233,763	1,643,510	33.21
Three-wheelers	73,310	80,105	9.27
Passenger vehicles	289,056	335,123	3.96
Commercial vehicles	88,663	90,707	2.31
Tractors	55,857	56,625	1.37
<b>TOTAL</b>	<b>1,740,649</b>	<b>2,206,070</b>	<b>26.74</b>

Source: Fada research

petition, excess supply and discounting presented challenges for sustained growth. Additionally, the lack of new models in some portfolios impacted market traction," he said.

The 2W segment grew due to improved supply and demand for 125cc models. As many as 1.64 million two-wheelers were sold in April 2024 compared to 1.23 million

units in the same month last year. Lok Sabha elections had a "major impact on positive two-wheeler sales," said Singhania.

As many as 90,707 CVs were sold in April 2024 compared to 88,663 units the same time last year. The segment grew 2 per cent Y-o-Y growth and declined 0.6 per cent month-on-month. "Positive momentum was found in bulk

and corporate deals and school bus demand, though elections dampened sentiment, with customers delaying expansion plans. Limited finance options and regional challenges such as water scarcity further impacted performance," he said.

Three-wheeler sales touched 80,105 units, compared to 73,310 in April 2023. As many as 56,625 tractors were sold, compared to 55,857 units in April 2023.

"While some attribute this growth to the shift in Navratri to April instead of March last year, the overall increase was significant. Comparing combined March and April 2024 with the same period last year shows a 14 per cent Y-o-Y growth for the entire industry," said Singhania.

Improved supply and planning in the 2W segment have improved customer bookings and market sentiment, said FADA about its May outlook.

In the PV segment, new model launches and favourable monsoon forecasts are set to stimulate customer interest, while bulk deals in the CV segment should bolster demand in sectors like iron ore, steel, and cement. The appeal of new electric models and sustained demand for conventional vehicles are likely to provide further momentum," said Singhania.