

# PV sales may hit a record 3.8 million units in FY23

**IN THE FAST LANE.** Strong order book, easing of chip woes, new models drive growth

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Given the growing demand, the passenger vehicle (PV) industry is expected to end the current fiscal with the highest-ever annual sales.

"In FY19, the passenger vehicle market recorded extraordinary sales volumes and we believe we will surpass that level this year. The Indian automotive sector has been resolute in the face of global headwinds," Sunjay J Kapur, President, ACMA (Automotive Component Manufacturers Association of India), said in a communication note.

## TOTAL VOLUMES

The PV industry achieved total volumes of 3.4 million units in FY19. But it dropped to 2.8 million in FY20 and 2.7 million in FY21. With strong pent-up demand post-second wave of the pandemic, the total volumes increased to 3.1 million units in FY22.

For the current fiscal, the total PV volumes are estimated to be in the range of



**BOOM TIME.** The current fiscal is expected to see SUV sales volumes overtake cars'

3.7-3.8 million units, driven by the SUV boom.

"The SUV segment will continue its success story. We witnessed a share of 38 per cent in PV sales in 2021 and more than 40 per cent in 2022. As the semiconductor shortage eases and with a large product line-up by OEMs, the sales of SUVs will reach higher levels," said Kapur.

So the current fiscal is expected to see SUVs recording higher sales volumes than cars for the

first time. During April-November 2022, total PV volumes stood at 2.5 million units, in which SUVs accounted for 1.26 million units, while car volumes were at 1.51 million units.

## STRONG MONTH

December also proved to be a strong month for most players.

"The PV industry volumes have grown by 8.3 per cent at 2,76,000 units in December when compared with 2,55,000 units in

December 2021," according to Shashank Srivastava, Senior Executive Director, Sales and Marketing, Maruti Suzuki India Ltd.

So, PV industry volumes are estimated at 2.87 million units during April-December 2022 period against 2.15 million units in the year-ago period.

The strong demand is expected to continue and FY23 would see a record number.

Amid the easing of chip shortage, the PV industry has a huge pending order book of 7.2-7.3 lakh units, including 3.63 lakh units of Maruti Suzuki.

We expect the PV industry to continue to see robust demand this quarter," said an auto analyst at a brokerage firm.

## POSITIVE OUTLOOK

Overall, recovery in the economy, a strong order book of OEMs as a result of pent-up demand, easing supply chain issues, and new model launches will support the industry to grow in strong double-digits in FY23.