

# First-time buyers steer towards SUVs: Hyundai India COO

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New Delhi, 11 March

First-time car buyers are now choosing sport utility vehicles (SUVs), and the gradual decrease in hatchback sales in India is nothing to be concerned about, Tarun Garg, chief operating officer of Hyundai Motor India (HMIL), said on Monday.

According to a CRISIL Ratings report last month, the share of SUVs in total passenger vehicle (PV) sales is expected to grow from 51 per cent in 2022-23 to 62 per cent in 2024-25.

Garg, speaking to reporters after the launch of the SUV Creta N Line, expressed his disagreement with concerns that the drop in hatchback sales implies that several first-time buyers are being edged out of the car market itself.

“If that (first-time car buyers not buying) was happening, then the overall numbers would not have

grown. In 2023, the industry’s volume growth stood at 8.3 per cent, whereas the compound annual growth rate stood at 4.3 per cent for five years. This means we are okay,” he said.

“How many countries in the world have still reached the pre-pandemic level of car sales? India reached the pre-pandemic level in 2022 and surpassed it again in 2023. Since we are growing, the first-time car buyers are very clearly moving to SUVs, and we should not be too worried about that,” he added.

PV sales in India reached a record high of 4.1 million units in 2023,

recording a year-on-year growth of 8.3 per cent.

The share of hatchbacks in the industry’s total car sales was only 27 per cent in January-February this year.

“Last year, it was 30 per cent. Very clearly, customers are moving up,” he noted.

A good car will always sell, he asserted.

“Priced between ₹6 lakh and ₹10 lakh, you can see how successful the Exter is. Even competition in that

segment is doing well. Clearly, customers are moving to the SUV body shape, to premiumisation, to the high end. At the same time, if you have a good product in the sub-₹10 lakh segment, I think there is a good market for it,” he said.

He said that 27 per cent of total sales are still coming from the hatchback segment. It cannot be ignored, he said.

“That is why in 2023, we launched an upgrade of all three of our hatchbacks — the NIOS, Aura, and the i20. Hyundai takes a lot of pride in being a full-range manufacturer,” he said.

When asked about the update on HMIL’s plan to issue an initial public offering, its Managing Director and

Chief Executive Officer Unsoo Kim said, “Sorry, I am not in a position to comment on that at the moment. We will share information at an appropriate time.”

The Creta N Line was launched on Monday at a starting ex-showroom price of ₹16.82 lakh.

HMIL, India’s second-largest carmaker, has sold a total of 22,000 units of the N Line products in India between 2021 and 2023. N Line variants are high-performance and sportier-looking cars compared to their traditional models.

“Volume is not the objective in N Line products. We understand it is a niche market. As a carmaker, it is our responsibility that this set of customers — looking to buy a unique set of wheels — must have a factory-fitted car that not only has all those changes it wants but some sporty looks and some performance,” Garg said.

**“HOW MANY COUNTRIES IN THE WORLD HAVE STILL REACHED PRE-PANDEMIC LEVEL OF CAR SALES? INDIA REACHED PRE-COVID LEVEL IN 2022 AND BEAT IT AGAIN IN 2023”**

**TARUN GARG**

Chief Operating Officer, Hyundai Motor India

