

# 'Macroeconomics, affordability & policy to power autos in 2026'

**RIDE TO THE FUTURE.** Income tax relief, GST cuts to lay foundation for demand growth

**Our Bureau**  
New Delhi

The automobile industry expects the positive momentum to continue well into 2026, supported by stable macroeconomic conditions, improving affordability and continued policy support, while it will continue to monitor geopolitical developments to ensure resilience in supply chain and export volumes. Sharing monthly sales data, Shailesh Chandra, President, Society of Indian Automobile Manufacturers (SIAM), said 2025 was a landmark year.

"The year began with a subdued first half, and the industry continued to navigate supply side challenges. Multiple structural policy reforms, including income tax relief, successive repo rate cuts and rollout of GST 2.0, laid the foundation for a positive demand environment. The GST rate cut made



**UNDERCURRENTS.** The industry will monitor geopolitical shifts to ensure resilience in supply chain and export volumes

vehicles more affordable and injected fresh momentum," he said.

## **PV GROWTH**

Growth was broad-based across segments, with passenger vehicles (PVs), commercial vehicles (CVs) and three-wheelers (3Ws) recording highest-ever sales and two-wheelers (2Ws) posting second-highest sales ever, in a calendar year, he added. PVs grew by 5 per cent year-on-year (y-o-y) in the calendar year (CY25), with domestic dispatches of

around 45 lakh units (44,89,717 units), as compared to 42,74,793 units in January-December 2024.

Total 2Ws dispatches grew by 5 per cent y-o-y to 2,05,00,639 units as compared with 1,95,43,093 in FY24. Similarly, 3Ws dispatches grew by 8.2 per cent y-o-y in FY25 to 7,88,42 units as compared with 7,28,670 units in the previous year.

Total commercial vehicles posted a 7.7 per cent y-o-y growth in 2025, with sales of 10,27,877 units, as compared to 9,54,051 units the previ-

ous year. The grand total across all categories grew by 5.1 per cent y-o-y to 2,68,06,670 units in the domestic market in 2025, compared with 2,55,00,823 units in 2024.

Meanwhile, exports grew in double digits across vehicle segments in 2025 compared to calendar year 2024. The industry exported 5,78,887 units in December 2025, up 21 per cent y-o-y against 4,79,426 units in December 2024. In terms of monthly dispatches, PV sales grew by around 27 per cent y-o-y to 3,99,216 units in December 2025, compared with 3,14,934 units in the same month of the previous year. Total 2W sales grew by 39.4 per cent y-o-y to 15,41,036 units during the month as compared with 11,05,565 units in December 2024. Total 3W sales grew by 17.4 per cent y-o-y to 61,924 units in December 2025 as compared with 52,733 units a year ago.