

Better chip supply fuels PV production by 16%: Siam

Two-wheeler exports down 21% in May

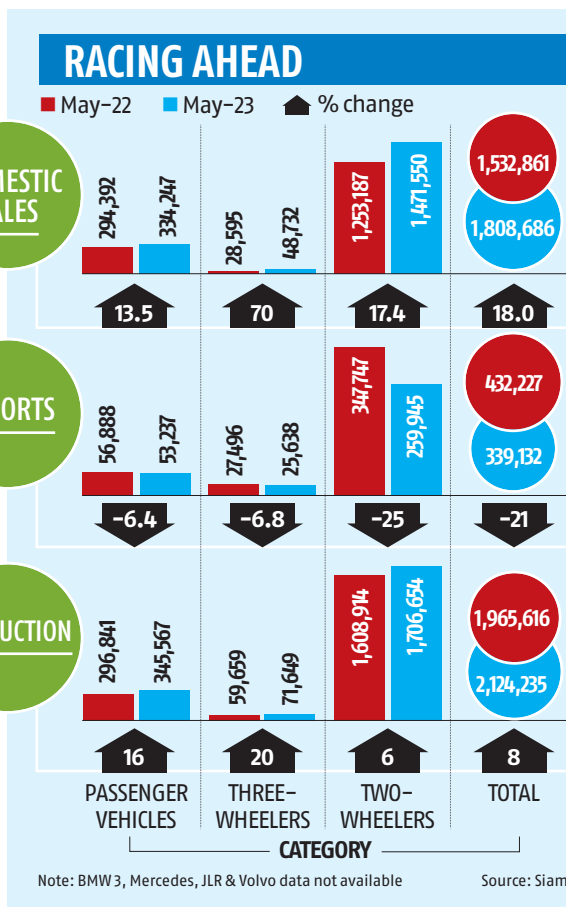
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Mumbai, 13 June

Amid better semiconductor chip supplies, the Indian automotive industry posted an 8 per cent growth in production of vehicles across categories for the month of May, with three-wheelers (20 per cent) and passenger vehicles (16 per cent) leading the pack. Exports, however, dipped 21 per cent at an industry level.

The industry also recorded its highest-ever May wholesales of domestic passenger vehicles (334,802 units), riding on high demand for sport utility vehicles (SUVs) and better supplies of semiconductor chips. The previous peak was observed in May 2018, when the domestic PV wholesales stood at 301,238 units, Shashank Srivastava, senior executive officer, marketing and sales, Maruti Suzuki India (MSIL), had told the media on June 1 when auto majors reported their wholesales numbers.

According to latest data from the Society of Indian Automobile Manufacturers (SIAM), PV production grew by 16 per cent year-on-year in May to 345,567 units; three-wheeler production went up 20 per cent YoY to 71,649 units, while two-wheeler production rose 6 per cent to 17,06,654 units.

An increase in production in May 2023 compared to the same month in 2022 indicates the easing of semiconductor chip shortages. Tata Motors Group Chief Financial Officer (CFO) P B Balaji said in the fourth quarter earnings



call that the worst of the semiconductor crisis was behind us. On the other hand, MSIL Chairman R C Bhargava had said during the company's Q4FY23 earnings call that the shortage of semiconductor chips would remain in FY24. Challenges in ramping up production have led to open bookings for automakers.

MSIL's production in May grew by 9.8 per cent, while its sales clocked 15.45 per cent growth.

Srivastava had indicated on June 1 that the chip supplies situation had improved, and a lot of pending bookings had been cleared.

However, he had clarified that production of some models — Ertiga, XL6, Brezza, Grand Vitara and Fronx — continue to be affected due to chip shortage and the situation is expected to be better in Q2 of FY24.

"We have increased the production of PVs that are not affected by chip shortage," he had said.

The domestic auto industry's bookings rose 10 per cent in May YoY, while the number of enquiries jumped 17 per cent YoY. Mahindra and Mahindra (M&M) production went up 30 per cent in May, while its sales clocked 22 per cent growth. Hyundai's production saw 10 per

BHARAT NEW ENERGY LAUNCHES NEW BATTERY

After becoming one of the five electric two-wheeler companies that faced the heat during fire accidents, Coimbatore-based manufacturer Boom Motors that has rechristened itself to Bharat New-Energy Company (BNC) and on Tuesday announced the launch of its in-house developed battery — Etrol 40. The company is also working on a portable fast charger that can plug into a standard three-pin 16A socket and charge the battery in two hours.

SHINE JACOB

LOHIA TO FOCUS ON LOCALISATION

Electric two and three-wheeler maker Lohia Auto is focusing on cutting costs, sourcing components locally after the Centre decided to slash the FAME-II subsidy. From 60 per cent, the company aims to increase localisation to 70-75 per cent in two years. Ayush Lohia, the CEO of Lohia Auto Industries, said that the company would focus on being competitive.

ANJALI SINGH

cent growth, while Toyota registered a seven-fold growth. Toyota Kirloskar Motors (TKM) sales also increased an impressive 88 per cent, which was its highest-ever for the month of May.

TKM had recently enhanced its production by implementing the third shift of operations at its Bidadi plant from May 2023.

Exports from India, however, have been in the slow lane as several markets such as Nigeria are affected by political and economic turmoil.

PV exports were down 6.4 per cent in May, while three-wheeler exports from India fell 7 per cent or so. Two-wheeler exports were the worst hit — down 21 per cent.