

PV sales pace slowest in 4 yrs

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HIGH COST IMPACT IN 2024

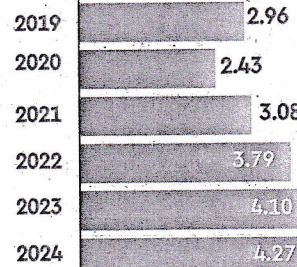
THE GROWTH IN despatches of car and sports utility vehicles (SUVs) in 2024 was the slowest in four years as retail demand struggled to match the pace of previous years marred by high inflation and increased vehicle acquisition cost.

Passenger vehicle sales grew by 4.2% to scale a new record of 4.27 million units, according to the industry lobby body the Society of Indian Automobile Manufacturers (SIAM). While passenger car volumes fell 14% to 1.37 million, utility vehicles (comprising mainly SUVs) grew by 17% to 2.74 million.

The low base of last year helped the PV segment post the best growth in a month in 9 months in December though manufacturers lowered supplies sequentially so as to avoid over-supply of stock to dealers. For the first time in December, PV despatches to dealers crossed the 300,000 lakh mark to close at 314,934 units, a rise of 10% year-on-year.

While the industry was on festive cheer combined with offers in

Passenger vehicles (in million units)



Source: SIAM

■ For the first time in December, PV despatches to dealers crossed the 300,000 lakh mark — a 10% y-o-y growth at 314,934 units

■ Two-wheeler segment closed 2024 with a growth of 15% at 19.54 million — the growth was led by the rural regions



the previous months, there was a significant spike in discounts during December as carmakers and their dealer partners face the uphill task of liquidating more than two months of inventory.

Despite efforts to reduce stock and carry as minimal stock into January as possible, there was net addition to the inventory by the PV players during December since retail sales stood under 294,000, as per data shared by the Federation of Automob-

ile Dealers Association.

The two-wheeler segment posted its biggest fall in a month in December in several months as companies chose to reduce inventory at dealerships and stockyards. The segment clocked a 9% y-o-y fall in volumes to 1.1 million units in December.

The two-wheeler segment closed 2024 with a growth of 15% at 19.54 million. This growth was led by the rural segment which accounted for more than 50% of the volume.