

Retail car sales hit a record in Jan on wedding demand

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January 2024 marked a record-breaking month for the passenger vehicle (PV) segment, with retail sales touching 393,250 units. This is a 13 per cent rise from 347,086 units in January 2023, surpassing the previous record set in November 2023, according to Federation of Automobile Dealers Associations (FADA) data.

The strong performance was supported by SUV demand, introduction of new models, greater availability, effective marketing, consumer schemes and the wedding season.

However, concerns persist regarding PV inventory levels, which are now within the 50-55 day range.

Retail automobiles sales during the month saw a 15 per cent increase to 2.13 million units, compared to 1.85 million units during the corresponding period in 2023, owing to recovery in the rural market and marriage season.

This growth was observed across all vehicle categories, including two-wheelers, three-wheelers, PVs, tractors and commercial vehicles, which reported increases of 15 per cent, 37 per cent, 13 per cent, 21 per cent, and 0.1 per cent, respectively.

At present, there is a huge carry forward stock of around 23 models. Companies which have higher inventory include Maruti Suzuki, Hyundai Motor, Tata Motors, M&M and Kia.

“There is a need for immediate recalibration of production from original equipment manufacturers (OEMs) to better align with actual market demand and pre-

IN THE FAST LANE

	Jan '23	Jan '24	% change Y-o-Y
Two-wheeler	12,68,990	14,58,849	14.96
Three-wheeler	71,325	97,675	36.94
Passenger vehicle	3,47,086	3,93,250	13.3
Tractor	73,184	88,671	21.16
Commercial vehicle	89,106	89,208	0.11
TOTAL	18,49,691	21,27,653	15.03

Source: FADA



vent future oversupply issues. In this dynamic industry, adaptability is crucial. OEMs must balance innovation with strategic production planning to ensure sustained success and overall market stability,” said Manish Raj Singhania, president of FADA.

The two-wheeler market began the year positively, with improved vehicle availability, following adjustments post-Onboard Diagnostic 2 (OBD 2) norms' implementation. The introduction of new models and a shift towards premium options also contributed to increased demand. This, coupled with a good harvest, a positive marriage season, and effective follow-ups and offers, suggests a favourable outlook for the two-wheeler

sector. Two-wheeler sales in January touched 1.46 million units, up from 1.27 million units in the same month of the previous year.

“Rural market is back and the marriage season, too, helped the numbers. Recovery in the rural market is not a one-month phenomenon. We have been seeing it for the last five months. With Lok Sabha elections coming, this will increase, especially in two-wheelers,” he said.

“The three-wheeler sector presented a mixed picture. While growth and optimism persist in the commercial three-wheeler market, the high competition from electric models highlights a significant market shift, now with 55 per cent electrification,” he added.