

Auto exports take a hit on rising global woes

PV wholesales soar to record 4.2 mn in FY24

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Exports of two-wheelers, three-wheelers, and commercial vehicles (CVs) witnessed a fall in 2023-24 (FY24) owing to the Russia-Ukraine and Israel-Gaza conflicts, a slowdown in the global economy, and foreign exchange crises in key markets, the Society of Indian Automobile Manufacturers (SIAM) said on Friday.

However, exports of passenger vehicles (PVs) increased marginally in the last financial year. Approximately 672,000 units of PVs were exported from India, recording a 1.4 per cent year-on-year (Y-o-Y) growth.

India exported 3.46 million units of two-wheelers in 2023-24, a fall of 5.3 per cent Y-o-Y. Exports of three-wheelers stood at 300,000 units, an 18 per cent Y-o-Y fall.

Meanwhile, passenger vehicle wholesales in India touched a record high of 4.2 million units in the financial year 2023-24, registering a Y-o-Y growth of 8.4 per cent, on the back of robust demand for utility vehicles

“There are geopolitical factors behind the drop in exports. There is a war going on. The global situation is also not so good. Some countries where we are very strong in two wheeler and commercial vehicle exports are facing foreign exchange issues. These are the main factors. However, in the January-March quarter, we have seen good recovery in exports. Therefore, we are hopeful that the situation will improve,” Vinod Aggarwal, president of SIAM, said. If you look at two-wheeler exports in the last quarter, the growth has been significant. It stood at about 30 per cent, he added.

Aggarwal also talked about the impact of the Red Sea crisis on exports. “As far as the Red Sea crisis



SPOKE IN THE WHEEL

Passenger vehicles

	Exports (in mn)	Y-o-Y chg (in %)
FY20	0.66	-1.5 ↓
FY21	0.40	-39.0 ↓
FY22	0.58	43.1 ↑
FY23	0.66	14.7 ↑
FY24	0.67	1.4 ↑

2-wheelers

	Exports (in mn)	Y-o-Y chg (in %)
FY20	3.52	7.3 ↑
FY21	3.28	-6.7 ↓
FY22	4.44	35.3 ↑
FY23	3.65	-17.8 ↓
FY24	3.46	-5.3 ↓

3-wheelers

	Exports (in mn)	Y-o-Y chg (in %)
FY20	0.50	-11.6 ↓
FY21	0.39	-21.7 ↓
FY22	0.50	27.2 ↑
FY23	0.37	-26.8 ↓
FY24	0.30	-18.0 ↓

Commercial vehicles

	Exports (in mn)	Y-o-Y chg (in %)
FY20	0.06	-40.0 ↓
FY21	0.05	-16.7 ↓
FY22	0.09	84.0 ↑
FY23	0.08	-14.1 ↓
FY24	0.07	-16.5 ↓

Source: SIAM

is concerned, I think we have worked around that issue. The ships are taking a slightly longer route than the usual one. Based on that, the lead times have gone up by 15-20 per cent. Earlier, it was eight weeks. Now, it is about 10. Lead time has gone up. And due to that, the cost would have gone up a little bit. With that, the situation has been resolved,” he said.

The Red Sea crisis began on November 19, 2023, with the Iran-backed Houthis in Yemen launching their first attack on Galaxy Leader, a

merchant ship. At least 25 attacks have been reported to date, and this encompasses anti-ship missiles, piracy, ballistic missiles, and unmanned aerial vehicle strikes.

Aggarwal said PV sales growth in 2024-25 could be in higher single digits. “We are very positive on the growth outlook based on the fundamentals. We are expecting good growth in the economy. We are hoping for a good monsoon...The growth could be in the higher single digit,” he added.