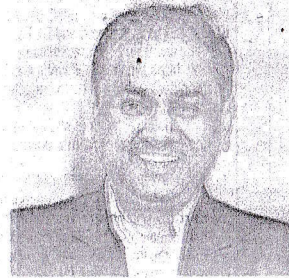


'Commercial vehicle sales seen improving in H2'

S Ronendra Singh
New Delhi

Commercial vehicle (CV) sales, especially of medium and heavy trucks, are expected to improve in the second half (H2) of the year, following heat waves and heavy rain across most parts of the country, according to top industry official.

"At the beginning of the year, most research agencies predicted that the first half (H1) would be very negative. Some even suggested that the industry would de-grow by as much as 15 per cent, primarily due to the elections. Everybody was convinced about the fundamentals around that



Shenu Agarwal, Managing Director and Chief Executive Officer, Ashok Leyland

time," Shenu Agarwal, Managing Director and Chief Executive Officer, Ashok Leyland, told *businessline* recently.

He said the elections didn't have a significant impact on

the industry, which did not fare well in July and August. One reason was the monsoon, after the heatwaves earlier in the year which had had some negative effect; the rains persisting for an extended period have not helped.

WEATHER IMPACT

"The rains have stopped all activities. Mines are all flooded, construction projects are at a standstill, and trucks are lying idle just because there is no movement happening... Since the formation of the new government, there has been a slowdown in construction/ infrastructure activities. But we are convinced that we will see a lot of activity from now on," he said.

Research firm ICRA, in a recent report, said the CV industry's wholesale volumes may see a nominal year-on-year (y-o-y) growth of 0-3 per cent in the current fiscal (FY2025) against the earlier estimated decline of 4-7 per cent.

This follows a better-than-expected volume growth in the first four months of FY25 and an expectation of a marginal uptick in demand in the H2 of the fiscal, it said, adding that FY25 will be the second consecutive year of muted growth after a one per cent and three per cent y-o-y growth in wholesale and retail sales respectively in FY24.

"H2 will be quite good because the temporary factors

would fade away, and also we know that last year the H2 had a lower base because the industry growth was not there in H2 last year. So, given all these, we are very positive about the industry, not just for H2, but for the whole year," Agarwal also said.

According to the Society of Indian Automobile Manufacturers, the total CV domestic sales in the April-June quarter rose 3.5 per cent y-o-y to 2,24,209 units, compared with 2,16,550 units in the corresponding quarter last year.

In the January-March quarter, sales declined by 3.8 per cent to 2,68,294 units, compared with 2,78,878 units in the same period the previous year.