

India outpaces peers in light vehicle sales growth

Sales grew 35% in CY23 compared to pre-pandemic level of CY19

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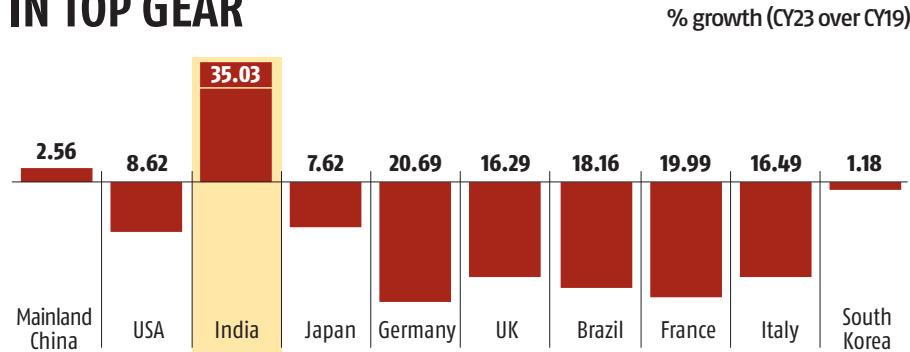
India has seen light vehicle sales grow by 35 per cent in CY23 compared to pre-pandemic levels of CY19, registering one of the sharpest recoveries in the top 10 markets in the world, according to research by S&P Global Mobility. The research agency includes passenger vehicles and light commercial vehicles in its definition of 'light vehicles' globally.

Other global markets such as the US, Japan, Germany, France, Italy, and South Korea are still behind, hovering at

pre-pandemic levels (see chart). Only China is in a positive zone, growing by 2.6 per cent in 2023 from its pandemic levels of 2019.

S&P Global Mobility also projects that in the next decade India will drive the global automotive growth story. While Japan, Germany, and the US will shrink in new vehicle sales by CY35, India will grow from 4.9 million units in CY24 (estimated), 5.1 million in CY25 to 8.2 million units by CY35. As a result, India's share of the global light vehicles market will rise from 5.5 per cent in CY23 to 8 per cent in CY35, says S&P Global

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Source: S&P Global Mobility

Mobility. According to the research, India's share was only 3.80 per cent in 2010.

In contrast, the growth of light vehicles sales in the US are projected to decline from 16.5 million in CY25 to 16 mil-

lion in CY35. Japan will see a fall from 4.8 million to 4.2 million in the same period and Germany will also decline from 3.3 million to 3.0 million.

China will continue to grow but much more slowly from

27.4 million in 2025 to 30.7 million in 2035.

However, Brazil will show good growth, up from 2.5 million to 3.8 million in the same period. Puneet Gupta, director, S&P Global Mobility, India

Subcontinent & ASEAN (vehicle and sales forecast and powertrain sales forecast) says India is 'cruising at a fast pace'.

"In 2021 the India market grew by 26.4 per cent, in 2022 by 23.7 per cent and in 2023 it is 35.0 per cent. In 2024 the market looks unstoppable and as per S&P Global Mobility sales forecasts, the momentum will continue to drive the growth of new light vehicle sales by 3.4 per cent on a year-on-year basis in India," said Gupta.

"The political stability, aspirational population, growth in infrastructure and the adoption of digitisation, coupled with structural initiatives, are helping the economy to move towards becoming the world's third biggest economy by 2030," he added.