

Audi to hike prices in India next month by up to 2.4%

FE BUREAU

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GERMAN LUXURY CAR company Audi said on Tuesday it will hike prices of its products in India by up to 2.4% from September 20, citing rising input and supply chain costs.



Balbir Singh Dhillon, head, Audi India

Audi, which is the fourth-largest luxury car maker in India, is the first brand to hike prices this quarter. Its rivals, Mercedes-Benz and BMW, raised prices in the June quarter.

Mercedes-Benz had hiked prices by up to 3%, and BMW by up to 3.5% in April. The companies hold the top two positions in India's luxury car market. Swedish luxury car brand Volvo had also announced a hike of up to 4% in the June quarter.

Balbir Singh Dhillon, head, Audi India, said, "With rising input and supply chain costs, we are required to take a price hike of up to 2.4% across our model range." Audi's price hike will coincide with the start of the festive season in India when demand for automobiles usually hit a peak.

These hikes are unlikely to have any significant impact on demand. India's luxury car demand has surpassed pre-Covid levels, but due to shortage of semiconductors, companies were not able to supply enough. Not only is there a long waiting period for luxury cars, but some models are facing a stockout situation.