

# CV industry to grow 20-22% in FY23: CareEdge

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With the automobile industry witnessing an uptick in demand, the commercial vehicle industry is also set to witness a growth of 20 to 22 per cent in FY23.

According to a report by CareEdge, medium and heavy commercial vehicles are expected to grow by 22-24 per cent, while light commercial vehicles are likely to grow by 10-19 per cent.

## VOLUME GROWTH

The CV industry reported a 30.7 per cent volume growth in FY22, and recorded a

strong volume growth of 60.2 per cent y-o-y in H1FY23, while year-to-date (YTD) growth (April to October 2022) was recorded at 52.3 per cent y-o-y according to CareEdge.

## BULLISH DEMAND

"Bullish demand would translate to higher revenues and overall improved operating leverage would result in improved profitability, supported by price hikes by original equipment manufacturers," said Arti Roy, Associate Director, CareEdge.

A decline in raw material prices is anticipated, "The H2FY23 margins are expected



**UPTICK.** Double-digit growth in sales of medium and heavy CVs was driven by pick-up in fleet utilisation levels

to revive moderately as compared to H1FY23, with an expected decline in raw material prices and the

planned price hikes by OEMs." The industry, after recording the highest volume growth in fiscal 2019

since fiscal 2001, went into a downturn recording a sharp volume de-growth of around 29.7 per cent and around 20.4 per cent in FY20 and FY21, respectively.

## DECLINE IN FY20, FY21

A similar trend was seen in CV exports, which declined 39.6 per cent in FY20 and 16.6 per cent in FY21 before recovering by 83.4 per cent in FY22.

Further, the report points out that the growth momentum in future could be dampened due to headwinds like increasing interest costs, a slowdown in exports, and continuing inflation pressures.