

# Demand growth will moderate in FY24: Tata Motors

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**PASSENGER VEHICLE DEMAND** growth will moderate in FY24 to mid-single digit compared to FY23, but will still be enough for manufacturers to make the most of the opportunity, according to Tata Motors.

Shailesh Chandra, managing director, Tata Passenger Electric Vehicles and Tata Motors Passenger Vehicles, said, "Demand is strong but the growth of 27% of last year will moderate to mid-single digit. But the key thing to remember is that it is still a 4 million+ market. Four years ago, it was a 2.7 million market; that is a steep jump. And if the industry sustains at that level then it is certainly good for us."

The passenger vehicle industry closed FY23 with volumes of 3.9 million units. A growth of 5-6% will see the industry end FY24 at around 4.15 million units in domestic sales.

However, it will not just be the growth that will be moderating, the industry will struggle with capacity as well since most of the top-performing players such as Maruti Suzuki, Tata Motors and Mahindra & Mahindra are already operating close to their peak capacities.

The market has seen demand shift swiftly to CNG-powered vehicles especially with reducing options in the diesel segment. As per Tata Motors, growth in CNG pow-



Shailesh Chandra

ered vehicles last year was double compared to the industry's growth thanks to the cheaper price of the fuel and more availability of models.

"Every year we are seeing the growth of the CNG sales higher than the industry growth. In all there are 17 models in the market with CNG. There are 500 CNG stations across the country. Next few years there will be 10,000 such stations," Chandra added.

This week Tata Motors launched the CNG variant of the Altroz starting at ₹7.55 lakh. The company wants to position the premium hatchback as a feature-rich and performance-oriented car, since these aspects are not traditionally associated with a CNG vehicle as they are most used for commercial purposes.

*The writer was in Mobor at the invitation of Tata Motors.*