

Early summers? White goods firms expect hot demand

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Consumer companies are looking at double-digit growth in demand for air conditioners, refrigerators, coolers, and fans in the next fiscal year, amid predictions of a long summer.

The consumer durables sector is expected to grow by 15-20 per cent in the next financial year (FY24) due to a resurgence in demand and the government's efforts to boost consumers' discretionary spending, industry experts said.

Godrej Appliances anticipates over 2x growth in AC sales over the last year and is targeting 40 per cent growth in sales of refrigerators, air coolers, and deep freezers.

"Our premium segment has grown over 50 per cent in comparison to the last financial year. This growth rate is on a par with the industry trend. We have been witnessing more traction for appliances delivering higher convenience, larger capacities, and health-first innova-

tive features with the latest technologies," said Kamal Nandi, business head and executive vice-president, Godrej appliances.

Panasonic India also expects robust growth in its AC category. "We are expecting a robust first quarter in the AC category, which we anticipate will lead revenue growth," said Fumiyasu Fujimori, managing director, Panasonic Marketing India, Panasonic Life Solutions India told *Business Standard* in a written reply.

Another home appliance major, Lloyd, also expects healthy growth in ACs, especially the premium category this summer. "Most of our customers, including Voltas, Blue Star and Daikin, are bullish and are running at full capacity. They are also scaling up distribution and investment in their network and ISDs to maximise their reach," said Vikas Gupta, managing director (operations) of PG Electroplast, which provides manufacturing solutions to top consumer durable firms.

Recently, AC maker Blue Star told analysts that the industry will hold



20-25 per cent more inventory than it did last year.

Companies are also re-thinking their strategies in order to revive rural demand which has been reeling under pressure for the past few quarters.

Godrej Appliances plans to expand its network of exclusive brand outlets in tier-3 markets to cater to upcountry consumers as

SUNNY SIDE UP

- White goods sector likely to grow at **15-20%** in FY24
- Premium products to drive double-digit growth
- Inventories up **25%** as compared to last year
- Fans market to remain recession-proof
- ACs, refrigerators, fans, & air coolers to see high demand
- Early summer & pent-up demand to push growth

demand picks up in these geographies. "With consumer finance penetration increasing in tier-3 and 4 markets, the company plans to offer attractive finance schemes to drive consumption in these markets to stay largely stable," Nandi said.

"Lloyd has also planned a slew of new products to address consumer needs and is focussed on creating an extensive network in the rural mar-

ket, by appointing new distributors and setting up its own branded shops," said Alok Tickoo, executive vice-president, Lloyd.

Gupta feels air coolers, whose sales remained muted in the past three summers, are seeing their first big explosive season. He added the fan market seems to be mostly recession-proof, having grown 10 per cent year-on-year over the last decade.

The fan market, which underwent major changes in regulations with the rollout of the BEE Star Rating Table, is expected to shift to super-efficient fans with BLDC motors. "We are expecting a surge in demand for energy-efficient and technologically advanced fans this summer," said Mahesh Gupta, CMD, Kent RO Systems, which recently entered the BLDC ceiling fans segment with the Kuhl brand.

Firms, such as Godrej Appliances, expect prices for their summer products to remain stable. Some feel prices for specific products such as fixed-speed AC models will rise due to the BEE Star Ratings Table change.