

Supply chain constraints may hit Audi India's growth

Aroosa Ahmed
Mumbai

German luxury carmaker Audi India will see a degrowth in 2024 owing to supply chain constraints. The company witnessed a disruption in supply between January and June this year.

"The supply chain constraints happened in the first half of the year. Components come from different locations across the world and there could be a disruption in any location with disruption in shipment of vehicles. The situation has improved and we are witnessing normal supply. Going ahead, we are optimistic that there will be no supply constraint and we will come back to the numbers that we plan to achieve. This year, in terms of numbers we will see a degrowth," said Balbir Singh Dhillon, Head of Audi India.

RISE IN CAR PRICES?

With the increase in shipment cost, the company is evaluating price hikes for its vehicles. "There have been changes in the shipment of materials and cars. The cost of shipment has gone up significantly. We are working on whether to increase the vehicle prices and will decide next week," he said.

It is evaluating local assembly of EVs. "Globally, Q6 e-tron and A6 e-tron have been revealed. We are evalu-



NEW ARRIVAL. Audi India launched its Q7 Premium Plus in Mumbai at an introductory price of ₹88,66,000

ating which vehicles to bring into India to assemble here. We require a minimum threshold to invest and assemble them locally. Our penetration right now is up to 3 per cent because we have cars above ₹1 crore. The scaling for us will happen only when we make the EVs in India, otherwise, the cars continue to be imported and expensive," Dhillon added.

PRE-OWNED VEHICLES

Audi India has seen a demand uptick in pre-owned luxury vehicles — a 29 per cent growth year on year for the Audi Approved Plus. "By 2025, we plan to have 30 Audi Approved Plus showrooms. In 2020, we had only seven outlets and now we have 26 outlets. It is a business which is as big as the new car business," added Dhillon.

Audi India launched its Q7 in Mumbai at an introductory price of ₹88,66,000 (Q7 Premium Plus variant) and ₹97,81,000 (Q7 Technology variant) respectively.