

Auto demand revs up ahead of festival season

With strong order books, companies working to minimise waiting period for vehicles

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Shaking off the two-year lull during the Covid-19 pandemic, the automobile industry expects revived fortunes as more buyers take home big-ticket purchases this festival season.

Shailesh Chandra, Managing Director, Tata Motors Passenger Vehicles and Tata Passenger Electric Mobility, said, "Strong Q1 has given the much-needed boost to the industry after two years of downturn. We expect the industry to further grow in Q2 owing to a strong order pipeline, new launches, low channel inventory and festival demand. We will have to cautiously observe the demand situation, given that H1 of CY2022 has been strong on supplies. It may release the pent-up demand and seasonality may start hitting the industry. However, the industry seems well poised to surpass the peak achieved in FY19. We have been

consistently improving our market share for the last eight quarters. In Q1, our market share crossed 14 per cent owing to strengthening of volumes across the product portfolio."

SUV in demand

Companies are crediting the growth in demand to a rise in disposable income and a return to normalcy in the market compared with 2021.

Veejay Nakra, President-Automotive Division, Mahindra & Mahindra, said, "We are expecting an upward trend in sales for our SUVs and small commercial vehicles, starting with *Navratri* next month. We continue to see strong demand across our brands in both the segments with an order book of around 1.7 lakh-plus units. Demand is extremely strong on Bolero Neo, XUV300, All-New Thar and All-New XUV700. With the recent blockbuster launch of All-New Scorpio-N and commencement



The industry is expected to grow further in Q2 on a strong order pipeline, new launches and low channel inventory

of bookings last month, we expect the order book to increase substantially before and during the festival season."

Sports utility vehicles (SUVs) are emerging as the preferred choice in the country, said Rakesh Srivastava, Managing Director, Nissan Motor India. "Nissan India is expecting an increased demand as we have seen a steady response for Nissan Magnite since its launch across markets, and our bookings are on an increase. We have strengthened the supply chain,

especially semi-conductor availability," he added.

Waiting period woes

Car buyers have, in the recent past, been dismayed by long waiting periods as manufacturers struggled to maintain supplies.

This issue is set to be resolved soon as production levels have increased, said Vinkesh Gulati, Chairman of the Federation of Automobile Dealers Associations (FADA).

Reporting brisk bookings for

various Maruti Suzuki models — Baleno (1.5 lakh), New Brezza (1 lakh), Grand Vitara (50,000) and Ertiga (1.07 lakh) — have garnered, Shashank Srivastava, Senior Executive Officer, Marketing and Sales, Maruti Suzuki India Limited, said, "We are constantly working towards minimising the waiting period for our products across different channels to ensure timely delivery to customers."

Echoing this, Hardeep Singh Brar, Vice-President and Head of Sales and Marketing, Kia India, said, "We have a strong line-up of SUVs and RVs (recreational vehicles) that are dominating the consumer choice at present, and we have a healthy pent-up demand."

Tepid show for 2Ws

Two-wheelers, on the other hand, are not in much demand this festive season. "The ground for two wheelers has not been great till now. The sales of cars will cross pre-pandemic levels but for two wheelers it looks difficult at present," said Gulati.