

INDIAN AUTOMOBILE INDUSTRY – PASSENGER VEHICLES

Monthly Update

NOVEMBER 2022

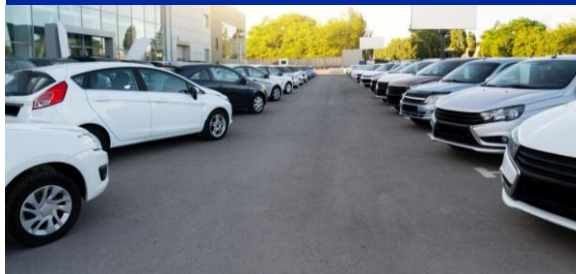


What's Inside...

1 Trends In Domestic Passenger Vehicle Industry Volumes



2 Segment-Wise Domestic Sales Trend



3 Export Volumes Trend



4 Trends in Market Share



5 ICRA Ratings in the Sector

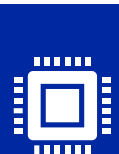


Domestic retail volumes ramp up in October, aided by the festive season; wholesales continue to remain at healthy levels.

Semiconductor supply shortage is expected to fully resolve by 2023; the impact of the ongoing geopolitical conflicts on chip supplies remains monitorable.



In October 2022, domestic wholesale volumes remained healthy at 3.36 lakh units, a healthy growth of ~29% on a YoY basis; the volumes, however, represented a decline of 6% on a sequential basis, with the OEMs ramping up volumes in September 2022 to cater to festive season demand. An easing of chip shortage has aided the OEMs in ramping up production over the past few months.



Retail sales have remained steady with the underlying demand for the industry continuing to be healthy; festive season demand led to a spurt in retail sales in October 2022. Inventory levels had reached levels of 40-45 days as of September end, with the OEMs betting on a spurt in retails during the festive season. Aided by the strong retails, the inventory levels are estimated to have corrected to ~35-40 days as of October-end.



The UV segment continues to register healthy volumes, aided by various model launches by the OEMs, with a view to strengthen their portfolio to cater to the shift in customer preferences. The entry car volumes have shown some signs of improvement over the past few months.



Monthly export volumes have continued to remain steady, aided by stable demand across geographies. Export volumes in October 2022 represented healthy growth of ~20% on a YoY basis, despite shortage of dollar availability in some African markets and inflationary pressures.



ICRA expects the industry to grow by 13-16% in FY2023 aided by the improvement in semiconductor supplies. The underlying demand trends for the industry continue to be healthy. Supply chain disruptions, however, continue to be monitorable.



ICRA

Analytical Contact Details



Shamsher Dewan

K. Srikumar

Rohan Gupta

Arushi

Group Head

Co-Group Head

Sector Head

Analyst



shamsherd@icraindia.com

ksrikumar@icraindia.com

rohan.kanwar@icraindia.com

arushi@icraindia.com



0124-- 4545 328

044 – 4596 4318

0124 – 4545 808

0124 – 4545 396





ICRA

Business Development/Media Contact Details



L. Shivakumar

Executive Vice-President

Jayanta Chatterjee

Executive Vice-President

Naznin Prodhani

Head Media & Communications



shivakumar@icraindia.com

jayantac@icraindia.com

communications@icraindia.com



022- 6114 3406

080 – 4332 6401

0124 – 4545 860





© Copyright, 2022 ICRA Limited. All Rights Reserved.

All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies, while publishing or otherwise disseminating other reports may have presented data, analyses and/or opinions that may be inconsistent with the data, analyses and/or opinions in this publication. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.



ICRA

Thank You!