

GOVERNMENT OF INDIA
 MINISTRY OF HEAVY INDUSTRIES & PUBLIC ENTERPRISES
 DEPARTMENT OF HEAVY INDUSTRY
RAJYA SABHA
UNSTARRED QUESTION NO. 2469
 ANSWERED ON 16.03.2020

DECLINE IN SALES OF VEHICLES

2469. SHRI R. VAITHILINGAM:

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether it is a fact that sale of vehicles, both passenger and commercial, has been declining for the last several months;

(b) whether it is a fact that vehicles sale in the month of January, 2020 was down by 22 per cent, as compared to the sales in same month in the last year;

(c) whether it is also a fact that the auto makers' total domestic sale in January, 2020 was down by 18 per cent as compared to January, 2019; and

(d) if so, the reasons therefor?

ANSWER
THE MINISTER OF HEAVY INDUSTRIES & PUBLIC ENTERPRISES
(SHRI PRAKASH JAVADEKAR)

(a) & (b): Domestic sale of Passenger Vehicles (PV) and Commercial Vehicles (CV), since April 2019 and YOY (Year-on-Year) growth is as per the table below:

	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20
PV	247,541	239,347	225,732	200,790	196,524	223,317	285,027	263,773	235,786	262,714
PV Growth %	-17.1	-20.5	-17.5	-31	-31.6	-23.7	0.28	-0.8	-1.24	-6.20
CV	68,680	68,847	70,771	56,866	51,897	58,419	66,773	61,907	66,602	75,289
CV Growth %	-6	-10	-12.3	-25.7	-38.7	-39.1	-23.31	-14.98	-12.32	-14.04

Source: Society of Indian Automobile Manufacturers (SIAM)

(c): Domestic sale of vehicles (across all categories) in January, 2020 was 17,39,975 as compared to 20,19,253 in January, 2019. [Source: Society of Indian Automobile Manufacturers (SIAM)]

(d): Various financial, regulatory and perceptual reasons for decline in sales are as under:

- Reduction in finance availability to Auto Sector
- Increase in Axle Load limit for commercial vehicles by up to 25%. This expanded freight capacity has led to shrinkage of new vehicle demand
- Increase in vehicles cost due to Hon'ble Supreme Court's order for upfront collection of long-term 3rd Party insurance premium for 3 years (new cars) and 5 years (new two-wheelers)
- Increase in collateral for dealers from 25% to 60% which has resulted in reduction of inventory finance to dealers
- Negative consumer sentiments and BS VI vehicle inventory adjustments by OEMs.
