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Passenger vehicle sales to rise 9% in FY18

New Delhi: The Society of Indian Automobile Manufacturer (SIAM) said the passenger vehicle segment should be able to achieve 9% growth during the current fiscal while the expansion in other segments should be better than expected.

All segments, including passenger vehicles and two wheelers, have been showing growth, SIAM Director General said. The only exception is heavy buses, which is a major concern for us. The comments come in the backdrop of passenger vehicle sales growing at 7.7% in February. Sales of domestic passenger vehicles (PVs), which include cars, utility vehicles and vans, grew to more than 2.75 lakh units in February from 2.55 lakh units in the year earlier period.

The increase was driven mainly by a growth of 21.82% in the sales of utility vehicles to 80,254 units during the month, according to SIAM data. Car sales rose 3.7% to more than 1.79 lakh units.

SIAM had forecast a growth of 9 per cent for PVs, 13% for commercial vehicles, 7% for three wheelers and 12% for two wheelers. As per the data released in the 11-month period from

April-February 2018 PV sales rose 8% while commercial vehicle sales grew 19.3% three wheelers 19.11 per cent and two wheelers 14.47%.

Overall, the performance of the auto sector across vehicle categories for February 2018 has been significantly strong and in line with the growth trajectory evidenced throughout the last 11 months, Sridhar V said, partner, grant Thornton India.

New launches post auto expo and a sector motivating Budget has kept in momentum, at a very high level especially with respect to commercial vehicles and two wheelers.

He, however, added that the increase in customs duty on imports could impact those passenger vehicle which had high level of imported components and conversely, the decrease in duty is expected to charge up sales in high-powered two wheelers, 2017-18 is expected to end up a record year for the sector.

Total two wheeler sales in February rose 23.77 per cent to more than 16.85 lakh units. While motorcycle sales rose 26.48% to more than 10.53 lakh units sales of scooters grew 23.96% to more than 5.60 lakh units.