

## INDIAN AUTOMOBILE INDUSTRY – COMMERCIAL VEHICLES

Volumes declined 1% YoY in November 2024, modest recovery in volumes expected in coming months

DECEMBER 2024



### What's Inside...



7

#### Trends in Domestic Commercial Vehicle Industry











www.icra.in

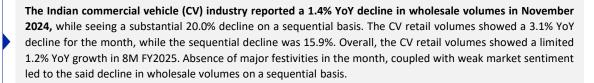




Domestic CV wholesale volumes saw a modest 1% YoY decline in November 2024, mainly due to the weak market sentiment. The retail volumes showed a 3% YoY decline in November 2024, reflecting continued weak market sentiments.

While the Model Code of Conduct, General Elections and erratic monsoon conditions impacted domestic CV volumes in H1 FY2025, some recovery is expected in the latter months of H2 FY2025.





In the medium and heavy commercial vehicle (M&HCV) segment, retail sales volumes in November 2024 witnessed a modest decline of 6.4% on a YoY basis, while reporting a sequential decline of 17.1%. With this, the M&HCV retail volumes showed flattish volumes on YoY basis in 8M FY2025. The M&HCV (trucks) wholesale volumes in FY2025 are estimated to stay flat or marginally negative, with volumes likely to pick up in the rest of the year on the back of improved infrastructure activity.



**Retail volumes in the light commercial vehicle (LCV) segment in November 2024 declined by 1.6%** on a YoY basis declining by 15.1% on a sequential basis, reflecting weak market sentiments. Domestic LCV retail volumes grew 1.3% YoY in 8M FY2025. The wholesale volumes in FY2025 are likely to remain flat or marginally negative due to factors such as a high base effect and cannibalisation from electric three-wheelers (e3Ws).



**Overall, some recovery in demand is anticipated in the latter months of the fiscal as macroeconomic activities are restored,** while the General Elections and its impact on infrastructure and construction activities resulted in muted demand for the domestic CV industry in H1 FY2025.

**ICRA expects the domestic CV industry to register a marginal YoY growth of 0-3% in volumes in FY2025,** given the high base effect (as the industry demonstrated a substantial YoY growth momentum in FY2022 and FY2023 before slowing down in FY2024). In the long run, demand prospects for the industry remain contingent upon factors like the Government's push towards infrastructure spending, monsoon conditions and their impact on the rural economy, and scrappage policies, among others.



### ICRA Analytical Contact Details

Name	Designation	Email	Contact Number
Shamsher Dewan	Group Head	shamsherd@icraindia.com	0124 – 4545 328
Kinjal Shah	Co-Group Head	kinjal.shah@icraindia.com	022 – 6114 3442
Mythri Macherla	Sector Head	mythri.macherla@icraindia.com	022 – 6114 3435
Yashowardhan Swami	Senior Analyst	yashowardhan.swami@icraindia.com	020 – 6606 9923





Name	Designation	Email	Contact Number
L Shivakumar	Chief Business Officer	<u>shivakumar@icraindia.com</u>	022-61693304
Neha Agarwal	Head – Research Sales	neha.agarwal@icraindia.com	022-61693338
Rohit Gupta	Head Business Development – Infrastructure Sector	rohitg@icraindia.com	0124-4545340
Vivek Bhalla	Head Business Development – Financial Sector	vivek.bhalla@icraindia.com	022-61693372
Vinita Baid	Head Business Development – Corporate Sector - West & East	vinita.baid@icraindia.com	033-71501131
Shivam Bhatia	Head Business Development – Corporate Sector - North & South	shivam.bhatia@icraindia.com	0124-4545803
Naznin Prodhani	Head – Group Corporate Communications & Media Relations	<u>communications@icraindia.com</u>	0124-4545860







#### © Copyright, 2024 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.



# **Thank You!**