



One Nation | One Association

FEDERATION OF AUTOMOBILE DEALERS ASSOCIATIONS

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FOR IMMEDIATE RELEASE

F A D A releases February'19 Vehicle Registration Data

- ***Auto Industry witnesses February sales Fall to newer lows as weak consumer demand continues into its 6th month***
- ***PV sales fall sharply after a temporary spike in January, 2W De-growth increases further.CV sales fare better, but also sees weakening of demand.***
- ***Dealer Inventory levels across all categories at an Unsustainable High and at Alarming Levels in 2W.***

13th March'19, New Delhi: The Federation of Automobile Dealers Associations (F A D A) today released the Monthly Vehicle Registration Data for the month of February'19.

Commenting on the February numbers, F A D A President, Mr Ashish Harsharaj Kale said, **“After a month of spike in PV sales in January which was largely due to year end stock clearance getting extended and Few New Launches which generated some excitement, the Industry is once again witnessing downward trend as February turned out to be one of the slowest month for Auto Retailers during this financial year. Indian Auto Sales are experiencing a Prolonged Slowdown as its already seen 6 months of Slowing Sales and growth reversal and Positive triggers in the near term appear Few.**

Starting with the Huge hike in Insurance costs in September, we have seen a lot of negative factors come together in the past few months, leading to major postponement in purchase decisions and overall weakening of Consumer sentiment.

Auto Dealers across the length and breadth of the Country are in a High stock Situation across all Categories and Inventory levels of Passenger Vehicles and Commercial Vehicles, which had seen partial correction in the past 2 months are now back to the unsustainable levels seen in November 2018.

F A D A has been highlighting the High Level of Inventory amongst the 2W Dealers and would like to Express Serious Concern that it has now reached Alarming Proportions and in some geographies has breached the unheard level of 100 days of stock as per today's retail situation.”

Commenting Further F A D A President said, **“F A D A believes, as does the entire Auto Industry that the dip in demand is temporary and India will continue to be amongst the Fastest Growing Auto Markets in the World. Having said that, navigating smoothly out of the current slowdown is the need and the entire Auto ecosystem, including dealers, will have to and already are in a cost regulation mode, till the Industry returns to Vibrancy.”**

Already facing a substantial increase in operational costs in recent times due to various factors as well as increased working capital needs and that too in a Tight Liquidity Environment, Prolonged maintenance of such High Inventory and its additional costs is unsustainable and with demand continuing to be a challenge, Dealers would be urgently looking to reduce their inventory in the months of March and April

Given the Current Environment F A D A urges Our OEMs to take a realistic stock of the Current Retail Situation and Recalibrate their production to regulate Dealer Invoicing in these 2 months to facilitate



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return to Stock Normalcy for Dealerships to maintain a sustainable business environment till the industry again hits the High Growth Trajectory.

According to a survey conducted by F A D A among its members, the current inventory levels are as following:

- PVs ranges from 50-60 days
- 2W ranges from 80-90 days
- CV ranges from 45-50 days

A Chart with comparisons can be found below:

Category	Feb'18	Jan'19	Feb'19	YoY change (%)	MoM change (%)
2W	12,22,883	13,00,265	11,25,405	-7.97%	-13.45%
3W	56,045	54,266	50,263	-10.32%	-7.38%
CV	65,789	58,266	61,134	-7.08%	4.92%
PV	2,34,632	3,01,603	2,15,276	-8.25%	-28.62%
Total	15,79,349	17,14,400	14,52,078	-8.06%	-15.30%

Source: F A D A Research

Disclaimer: Vehicle Registration Data has been collated in collaboration with Ministry of Road Transport & Highways, Government of India and has been gathered from 1,087 out of 1,440 RTOs.

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About F A D A India

Founded in 1964, Federation of Automobile Dealers Associations (F A D A), is the apex national body of automobile retail industry in India engaged in the sale, service and spares of 2/3 Wheelers, Passenger Cars, UVs, Commercial Vehicles (including buses and trucks) and Tractors. F A D A India represents over 15,000 automobile dealers having 25,000 dealerships including 30 Associations of Automobile Dealers at the Regional, State and City levels accounting for 90% of market share in India. Together we employ over 2.5 million direct employees and another 2.5 million as indirect employees, making it a total of ~5 million people in the country at dealerships and service centres.

F A D A India, at the same time also actively networks with the industries and the authorities, both at the Central & State levels to provide its inputs and suggestions on the Auto Policy, Taxation, Vehicle Registration Procedure, Road Safety and Clean Environment, etc. to sustain the growth of the Automobile Retail Trade in India.