



FEDERATION OF AUTOMOBILE DEALERS ASSOCIATIONS

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FOR IMMEDIATE RELEASE

F A D A releases Festival Retail Data

- ***Unexpected De-growth during Festival erases strong growth achieved till September***
- ***Positive Sales growth at FY end still a possibility, as consumer interest intact.***
- ***Postponement of Purchase by Consumers and the resultant Inventory increase a big concern for Auto Dealers***

23rd November, New Delhi: The Federation of Automobile Dealers Associations (F A D A) voiced its concern over the dampened festive season and the de-growth which the Automobile Industry is currently staring at.

Commenting on the Navratri and Diwali Festival Sales, F A D A President Mr Ashish Harsharaj Kale said, **“We have not seen such a Dull Festive Season, in the Past Few Years as many negative factors came into play during this Season which weakened the consumer sentiment and postponed their purchase decision. It is a matter of Deep Concern for our Dealership Community.**

Higher De-Growth was seen in the Navratri and Dussehra Festivals, especially in 2W and PV. With Fuel Prices starting their downward trend in October end, Diwali Season saw a Sales Uptick, especially in 2W but Overall, we have seen unusual De-Growth during the Combined festive period, both in 2W and PV. Dealer Inventory levels in both these segments have risen substantially as a result of this and is a matter of great concern.

Commercial Vehicle Sales which have been growing at a very good rate, still remained positive in their sales growth, but some demand softening could be seen in CV's too as the growth percentage has come down during this period.

The Ongoing NBFC Liquidity issue also is a Concern for all the segments and especially for the 2W and Commercial Vehicle Segment where we are seeing a cautious approach from the NBFC's during and post Diwali Season.

F A D A hopes that with the recent liquidity measures taken by the RBI and the Government, Auto NBFC's and Banks would be better placed to continue their Strong support to Auto Retail, which contributed majorly for the industry to grow at a healthy rate from April-Sept.

We request the Government and the RBI for further ease of liquidity for Auto NBFC's, as they are one of the key growth drivers in Auto Retail and are also operating in a less riskier business environment than Infra and Housing NBFC's due to the short repayment cycle of Auto Loans and the Mobility of the assets.”

Concluding on a Positive note F A D A President said, **“We remain Hopeful of Recovery as Overall Inquiries during the Festive period were robust, and postponement of Purchase was the main reason for muted sales. With Positive Policy measures, the Possibility of Consumer sentiment turning positive is quite strong as the Agriculture produce is now coming to the markets, fuel prices are coming down substantially and infrastructure growth is still going strong as well as positive liquidity measures are being taken.**



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The Auto Retail Industry can still deliver positive growth in the remaining 5 months of this FY and contribute substantially to the overall growth vision of our government as Consumer Interest is still visible and strong and F A D A and its members will work strongly to achieve that”

F A D A is releasing the Sales Trends for the first time and these trends are based on Vehicle Registration figures from Navratri to 15 days post Dhanteras as there is a time lag of 10-12 days between delivery and registration. The sales numbers have been collated from its members and other sources and the chart below depicts Vehicle registration trends during the festive season and covers almost 80% of the various regions of our Country.

Going forward F A D A will be releasing these trends regularly and from April would be doing so Region wise.

Our study shows that During the 42 days Festive Period and on YoY basis, Total Vehicle Registrations fell by 11%, 2Wheelers fell by 13% and Passenger Vehicles fell by 14%. 3 Wheelers and Commercial Vehicles held some ground and grew by 10% and 16%.

For the Current Financial Year up to 20th November’18 and on YoY basis, Total Vehicle Registrations has grown around 6%, 2Wheelers by 5%, 3Wheelers by 53% and Commercial Vehicles by 30%. Passenger Vehicles over the same period has de-grown by more than 1%.

The Inventory levels before the festivals began, were at around 60 days and 50 days for 2Wheelers and Passenger Vehicles. The same merely came down to around 50- and 45-days post Festivities and still remain higher than normal.

A Chart with Year on Year comparisons can be found as **Annexure 1.**

----- End of Press Release -----



Annexure 1

ALL INDIA ANALYSIS OF VEHICLE REGISTRATIONS			
42 Days Festive Period	21Sept'17- 1Nov'17	10Oct'18-20Nov'18	YoY chg
Total Registrations	23,01,986	20,49,391	-11%
2W	18,11,703	15,83,276	-13%
3W	53,457	58,801	10%
PV	3,33,456	2,87,717	-14%
CV	1,03,370	1,19,597	16%
YEAR TO DATE COMPARISON			
01APR - 20 NOV'17	01 APR - 20 NOV'18	YoY chg	
Total Registrations	1,12,54,305	1,19,89,705	6.5%
2W	88,40,375	93,10,770	5.3%
3W	2,37,187	3,64,013	53.5%
PV	16,49,650	16,26,555	-1.4%
CV	5,27,093	6,88,367	30.6%

Source: F A D A Research

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.