

HOME

LATEST

TRENDING

PREMIUM

e-paper

Get APP

[Home](#) > [Auto News](#) > PV makers to recover faster than two-wheeler manufacturers: Report

## PV makers to recover faster than two-wheeler manufacturers: Report



Passenger vehicle dispatches improved by 119% in June.

1 min read . Updated: 15 Jul 2021, 10:03 AM IST

### Livemint

The demand for passenger vehicles is more resilient, compared with that of two-wheelers as PVs are used by high-income groups, which are relatively less affected by the ongoing pandemic

[OPEN APP](#)

New Delhi: India's passenger vehicle manufacturers are likely to witness a faster turnaround in sales compared to two-wheeler makers, credit rating agency Care Ratings said in a note.

"The demand for passenger vehicles (PVs) is much more resilient, compared with two-wheelers as PVs are used by high income groups, which are relatively less affected in the ongoing pandemic. Two-wheelers demand suffers due to its high dependency on the rural segment," Care Ratings said.

### MORE FROM THIS SECTION

[See All](#)

Ola Scooter witnesses 'crazy demand' as bookings open



US manufacturing output dips as chip shortage weighs on ....



Tata Tigor EV to launch soon as Xpres-T EV. Check range ....



'The good old days': Anant Mahindra shares poster of ₹ ....

HOME

LATEST

TRENDING

PREMIUM

e-paper

Get APP

other hand, passenger vehicle dispatches improved by 119%.

A comparison with June 2020 (an abnormal month for the automobile industry), also shows healthy growth across all segments, except three-wheelers. However, a comparison with June 2019 shows that the demand has still not reached pre-covid levels for two-, three-wheelers and commercial vehicles, noted analysts of Care Ratings.

Kenichi Ayukawa, president of the Society of Indian Automobile Manufacturers (SIAM), said auto companies are not able to estimate the demand for vehicles in the coming months due to a significant increase in commodity prices, shortage of semiconductor supply, and fear of the third wave of Covid infections.

"With a total of 32 fuel price hikes in (Close) 16 each in May and June) by Oil Marketing Companies (OMCs), the consumer sentiments which were already low, further weakened and delayed their decision to purchase a vehicle. During this quarter, cumulative wholesales for all segments was lower than previous quarter, (OPEN APP) higher by a large margin than Q1-FY21. When compared with Q1-FY19, only tractors performed well, which shows that tractors demand has remained unaffected in this pandemic," the analysts added.

The second wave of covid-19 has nearly ended in India, which brings some joy to the automobile industry. But the fear of a third covid-19 wave creates uncertainties for a full recovery in FY22. Since the future of this industry is closely linked to the opening of the economy and the movement of people, the pace of vaccination drive will be paramount in future, the rating firm noted.

## SIMILAR STORIES



Rise in input cost, second covid wave may hit tyre firm...



Localized curbs hit imports in May; exports stay robust



Two- and three-wheelers to take the lead in electric mo...



With EVs nipping at their heels, two-wheelers are facin...