

Preview of automobile wholesales in December 2020

January 5th, 2021

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Preview of automobile domestic wholesales in December 2020

The festive season for the year ended in December 2020 and hence the automobile wholesales have begun to witness a sequential decline in sales volumes. Table 1, which is a preview of the automobile domestic wholesales for December 2020, shows that two-wheelers, three-wheelers and passenger vehicles reported fall in sequential growth for December 2020. However, as the Indian economy continues its recovery, demand for commercial vehicles witnessed an uptick. When compared on a YoY basis, all segments, except for three-wheelers, which is a laggard for the automobiles sector currently, witnessed a rise in sales volumes.

Table 1: Domestic wholesales of automobiles in December 2020

Category	Units	No. of companies	Change	
			Y-o-Y	M-o-M
Two-wheeler	11,22,122	7	7.3%	-29.6%
Three-wheeler	14,732	3	-57.5%	-4.6%
Commercial vehicle	65,672	5	3.2%	7.0%
Passenger vehicle	2,24,471	6	15.5%	-0.4%

Source: CARE Ratings, CMIE, company press releases

- **Two wheelers:** Total domestic wholesales of seven two-wheeler manufacturers stood at 11.2 lakh units (7.3% YoY and -29.6%) in December 2020. Except for one player, all others reported a fall in sequential growth, while on a YoY basis all players witnessed a positive growth in their domestic wholesales.
- **Three wheelers:** Total domestic wholesales of three players stood at 14,732 units (-57.5% YoY and -4.6% M-o-M) in December 2020. On a YoY basis, just one player saw a positive growth, while on a sequential basis, one player reported a negative growth.
- **Commercial Vehicles:** Total domestic wholesales of five commercial vehicle manufacturers in December 2020 stood at 65,672 units, which is positive growth on a sequential as well as YoY basis of 7% and 3.2% respectively. Out of these five players, two reported a positive YoY growth, while on a M-o-M basis, all, except one company, witnessed an uptick in sales.

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- **Passenger vehicles:** The total domestic wholesales for six passenger vehicle manufacturers stood at 2.2 lakh units (15.5% YoY and -0.4% M-o-M) in December 2020. All of the six players witnessed a healthy growth in their domestic wholesales, while on a sequential basis, all, except one company, witnessed a rise in sales.

Concluding remarks:

- An analysis of the preview of automobile wholesales shows that passenger vehicles have outperformed this month, by growing 15.5% YoY to 2.2 lakh units, which is at nearly same levels as the previous month. This shows that the consumer demand for passenger vehicles has not yet bottomed out even after the festivities ended.
- Though two wheelers grew at 7.3% YoY in December 2020, the sales volumes are lower by nearly 1/3rd of the previous month.
- Though the pace of growth in commercial vehicles is slow, the industry is certainly on the path to recovery.
- Three-wheelers continue to be the worst performing segment owing to low demand for passenger carriers segment with social distancing norms in practice.

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