



Press Release

24 March 2014

February Sales Weaker Than Expectation, Downward Revision Likely

Light Vehicle sales in India declined year on year (YoY) for the 15th straight month in February, down 4% YoY at 246k. We had expected February sales to be about 256k in our previous report.

Demand for Passenger Vehicles declined 3% YoY to 205k, which was a smaller fall compared to the previous five months.

At the same time, Light Commercial Vehicle sales up to GVW 6 tons decreased 12% YoY to 41k.

On a seasonally adjusted annualized rate basis (SAAR), sales were at 2.70 million units in February, lower than 2.76 million units in January and 2.82 million units last December.

We are yet to see any major impact from last month's duty reductions, even though OEMs immediately reduced prices across a majority of their models.

'Certainly, macroeconomic headwinds remain and buyers continue to be cautious about their spending especially on big ticket items such as new vehicles. There is also a 'wait and see' approach until political uncertainty clears after the general elections. We believe these factors would continue to dampen sales in the first half of 2014. We anticipate the industry to do better in the second half, which would also be partially helped by new model/variant introductions,' said Ammar Master, senior market analyst for India at LMC Automotive.

The major models to watch out for include Maruti-Suzuki's Celerio Mini Car, Hyundai's Xcent Sub-Compact Car and the just launched Datsun Go Mini Car.

The Celerio is Maruti Suzuki's replacement of the not-so-successful A-Star (or new Alto) that was in the market since the end of 2008. Wholesale delivery to dealers crossed 10k in the first two months.

Hyundai's Xcent was launched this month, and is the replacement for the discontinued Accent. Built off the Grand i10 platform, the Xcent sedan will be a good complement to the i20 hatchback to help Hyundai compete against popular sub-compact sedans such as the Maruti-Suzuki Dzire and the Honda Brio Amaze.

The Datsun Go, which came out this week, would be the most watched model this year. Targeted at first-time car buyers and perhaps attempting to succeed where the Tata Nano failed, the success of the Datsun Go would also determine the soundness behind Renault-Nissan's strategy for emerging markets.



Our current 2014 Light Vehicle outlook stands at 3.11 million units, or an increase of 6% YoY. However, given weaker than expected sales at the start of this year, we are likely to marginally revise down this forecast.

We are also considering downward revisions to the 2015 sales forecast, as the economy is currently projected to remain sluggish throughout next year.

Market Top Lines						
	Feb	Growth	YTD	Growth	2014	Growth
Sales	264,323	-6%	533,043	-7%		
PV	204,963	-3%	412,466	-5%	2,532,507	7%
LCV	40,852	-12%	84,497	-7%	577,361	3%
M&H CV	18,508	-21%	36,080	-19%		
Production	321,675	0%	645,218	-5%		
PV	249,663	-7%	506,323	-7%	3,184,358	8%
LCV	47,276	7%	92,546	4%	622,122	6%
M&H CV	24,736	6%	46,349	-2%		

Best Selling Models						
	Feb	Growth	Share	YTD	Growth	Share
PV						
Maruti-Suzuki Alto	24,623	-2%	12.0%	47,985	-11%	11.6%
Maruti-Suzuki Swift	19,099	-2%	9.3%	38,126	-1%	9.2%
Maruti-Suzuki Dzire	18,353	0%	9.0%	37,585	6%	9.1%
LCV						
Tata Ace	8,699	-7%	4.2%	18,611	21%	4.5%
Maruti-Suzuki Omni	6,733	34%	3.3%	12,826	23%	3.1%
Mahindra Bolero Pickups	5,027	26%	2.5%	10,246	34%	2.5%

Top Brands (Sales)						
	#	Brand	Feb	Growth	YTD	Growth
Passenger Vehicle	1	Maruti-Suzuki	89,826	0%	177,050	-4%
	2	Hyundai	34,005	0%	67,410	-1%
	3	Mahindra	17,481	-25%	35,488	-29%
	4	Honda	14,543	123%	30,257	153%
	5	Tata	10,926	5%	21,740	-15%
	6	Toyota	10,100	-21%	21,010	-19%
	7	Ford	6,799	36%	13,505	15%
	8	Chevrolet	5,607	-27%	11,164	-27%
	9	Volkswagen	3,511	-40%	7,618	-27%
	10	Renault	4,101	-39%	7,405	-36%
	11	Nissan	2,006	3%	7,189	20%
	12	Skoda	1,315	-32%	2,727	-37%
	13	Fiat	1,302	545%	2,687	392%
	14	Mercedes-Benz	867	4%	1,757	3%
	15	Audi	859	34%	1,742	40%
	16	BMW	637	31%	1,293	30%
	17	Force	288	-26%	628	-58%
	18	Hindustan	175	-68%	359	-66%
	19	Land Rover	156	-21%	315	-24%
	20	Ssangyong	131	-72%	257	-72%
Commercial Vehicle	1	Tata	13,902	-32%	30,632	-17%
	2	Mahindra	12,832	0%	25,789	-2%
	3	Maruti-Suzuki	9,932	22%	19,277	17%
	4	Ashok Leyland	2,176	-27%	4,417	-34%
	5	Force	1,349	-30%	2,914	-24%
	6	Piaggio	570	4285%	1,190	1487%
	7	Premier	0	-100%	134	-52%
	8	Eicher	56	4%	94	-18%
	9	Hindustan	23	92%	26	-21%
	10	Isuzu	12	N/A	24	N/A

Top Manufacturers (Production)						
	#	Manufacturer	Feb	Growth	YTD	Growth
Passenger Vehicle	1	Maruti Suzuki India	98,288	-12%	198,131	-12%
	2	Hyundai Group	47,007	-10%	93,618	-9%
	3	Renault-Nissan Group	19,131	-1%	39,558	11%
	4	Mahindra	18,329	-16%	36,340	-19%
	5	Honda Cars India	13,035	92%	26,922	148%
	6	Ford Group	12,135	33%	24,213	37%
	7	Toyota Kirloskar India	10,039	-22%	21,520	-25%
	8	Tata Motors	7,041	-22%	16,345	-16%
	9	Volkswagen Group	7,984	5%	16,054	-1%
	10	Tata-Fiat	6,571	-9%	13,846	-12%
	11	General Motors Group	6,584	-28%	12,894	-35%
	12	Skoda Auto	1,091	65%	2,247	21%
	13	Daimler Group	925	111%	1,757	91%
	14	BMW Group	624	14%	1,184	3%
	15	Force Motors	324	-10%	640	-25%
	16	Hindustan Motors	334	-59%	612	-61%
	17	Premier Auto	177	10%	336	-2%
	18	Ashok Leyland	44	N/A	106	N/A
	19					
	20					
Commercial Vehicle	1	Mahindra	14,291	17%	28,955	12%
	2	Maruti Suzuki India	10,190	13%	19,657	4%
	3	Ashok Leyland	1,980	-37%	4,532	-28%
	4	Force Motors	1,818	-5%	3,249	-20%
	5	Piaggio	614	2570%	1,183	3186%
	6	Premier Auto	146	13%	275	2%
	7	Eicher Motors	68	74%	134	2%
	8	Hindustan Motors	0	-100%	6	-91%
	9					
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LMC Automotive is a market leader in the provision of automotive intelligence and forecasts to an extensive client base of car and truck makers, component manufacturers and suppliers, financial, logistics and government institutions around the world and is widely respected for its extremely responsive customer support.

It offers forecasting services covering global sales and production for light vehicles and heavy trucks, as well as forecasts of engine and transmission supply and demand. In addition, LMC Automotive publishes special studies on subjects of topical interest to the automotive industry.

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