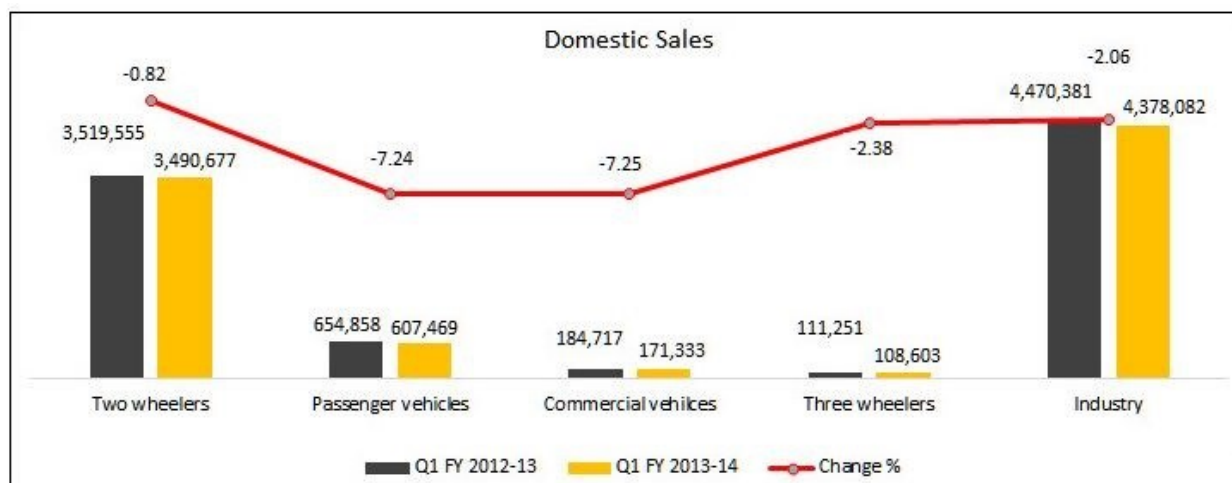
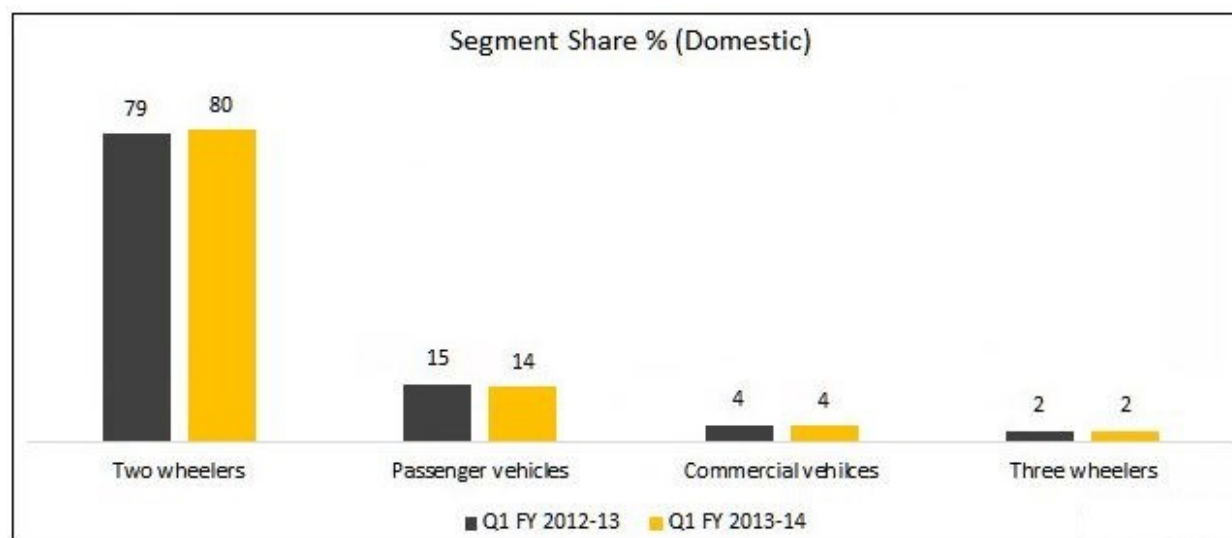


Economic Illness jerks down Automobile Sector in Q1 FY 2013-14

Domestic sales of automobiles in India stood at 4,378,082 units for Q1 FY 2013-14 and have recorded a drop of 2.06% as compared to Q1 FY 2012-13 where 4,470,381 units were sold.

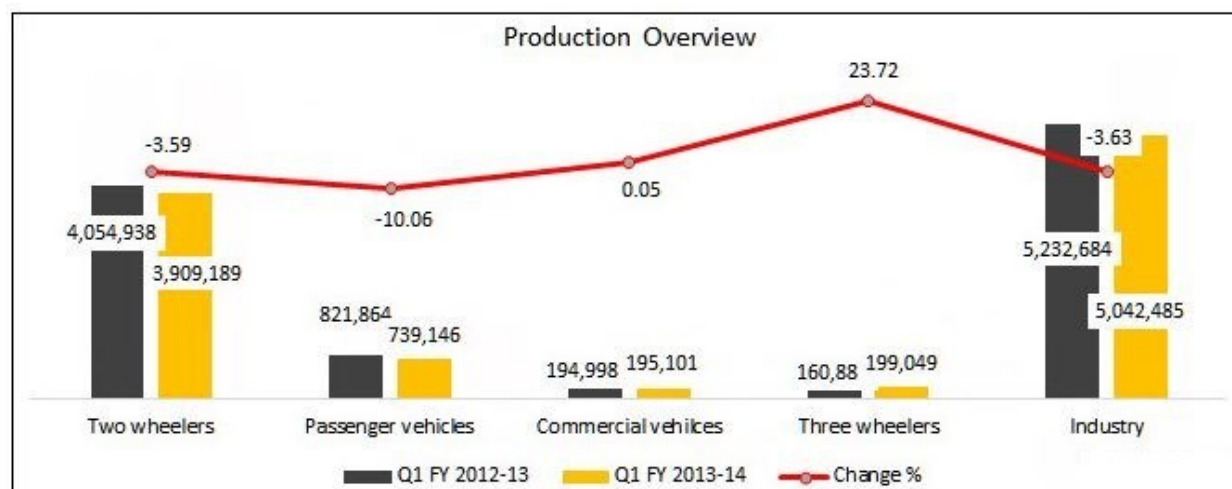


The passenger vehicle sales were down by 7.24% for Q1 FY 2013-14 as compared to Q1 FY 2012-13. Commercial Vehicle sales had also gone down by 7.25%. Three wheelers declined by 2.38% while two wheelers recorded a feeble decline of 0.82%.



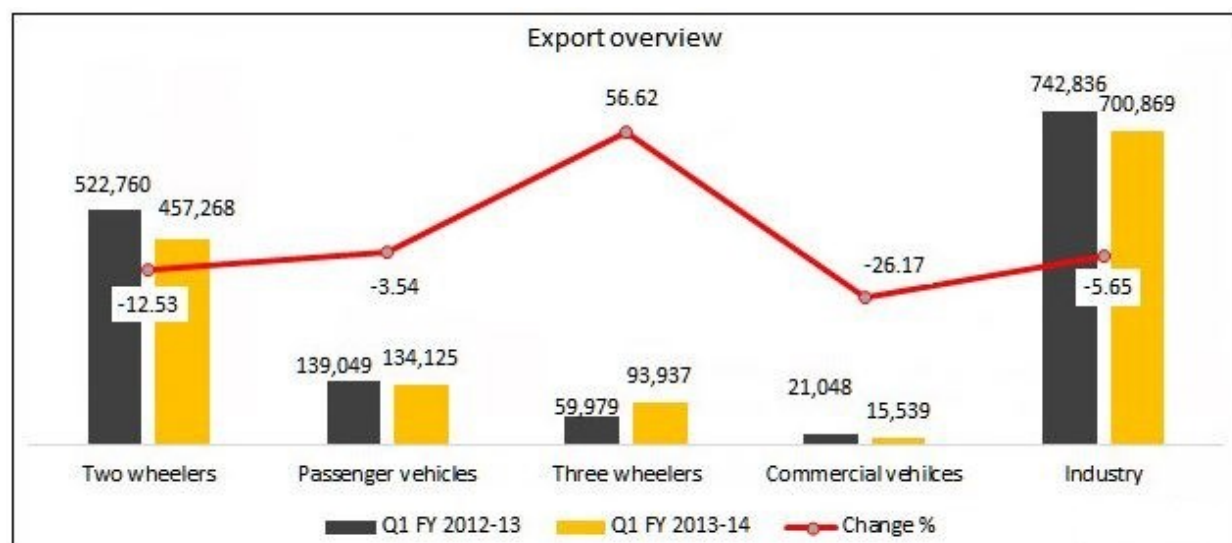
Two wheeler contributions during the first quarter of FY 2013-14 has increased by 1% as against FY 2012-13 while passenger vehicle segment's share is reduced by 1%.

Production Overview

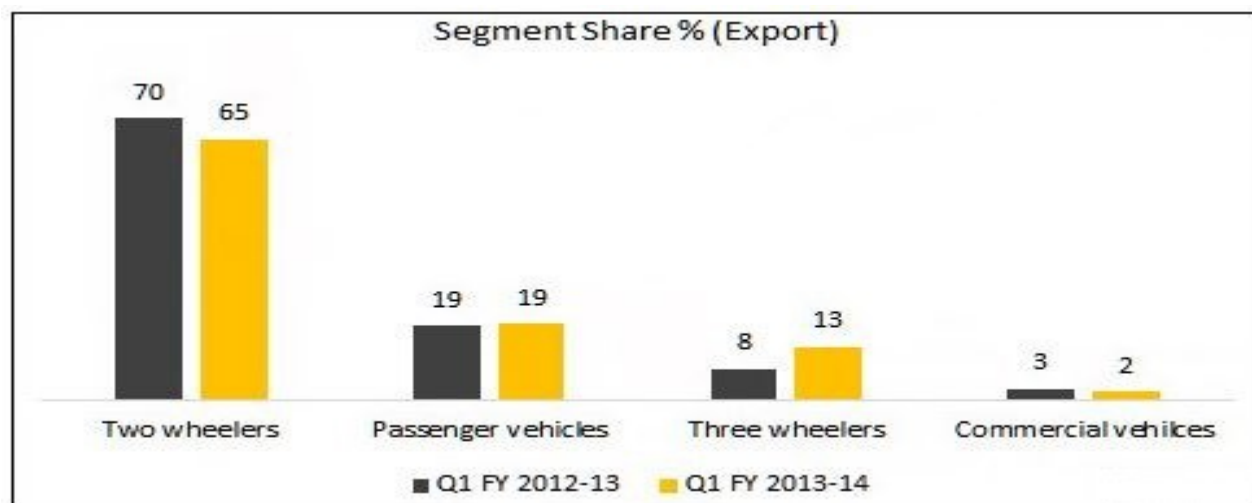


The overall production of automobiles for Indian market in Q1 FY 2013-14 has reduced by 3.63%. Evidently during the Q1 of financial year 2013-14, passenger vehicle production by 10.06% as against same period of the previous financial year. Among the positives three wheeler had made a 23.72% increase of production.

Exports



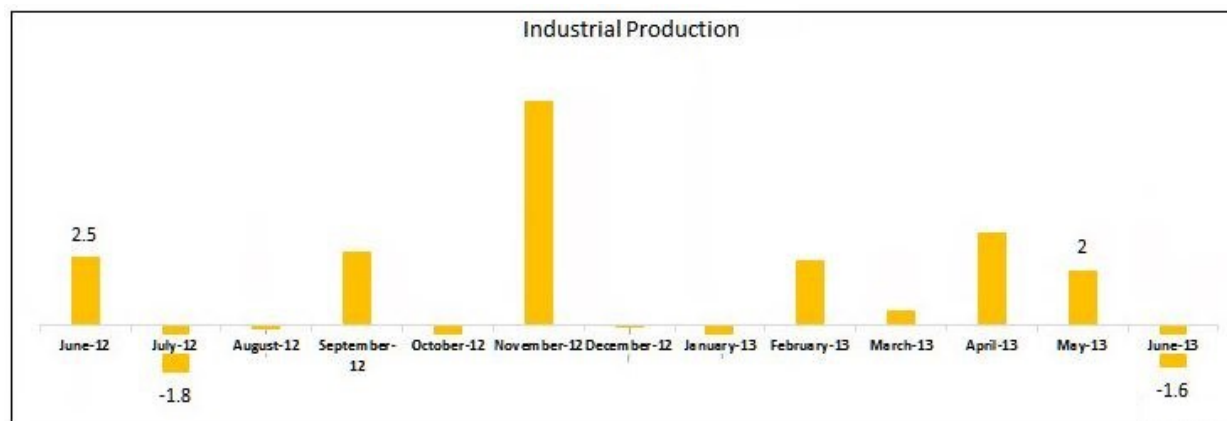
Overall exports during the first quarter of financial year 2013-14 had declined by 5.65%. The three wheeler segment has improved during the quarter by 56.62% as against same period of the previous year. The commercial vehicle exports recorded a 26.17% decline while passenger vehicle segment declined by 3.54%. Two Wheeler exports has also shrunk by 12.53% during Q1 FY 2013-14 as against Q1 FY 2012-13.



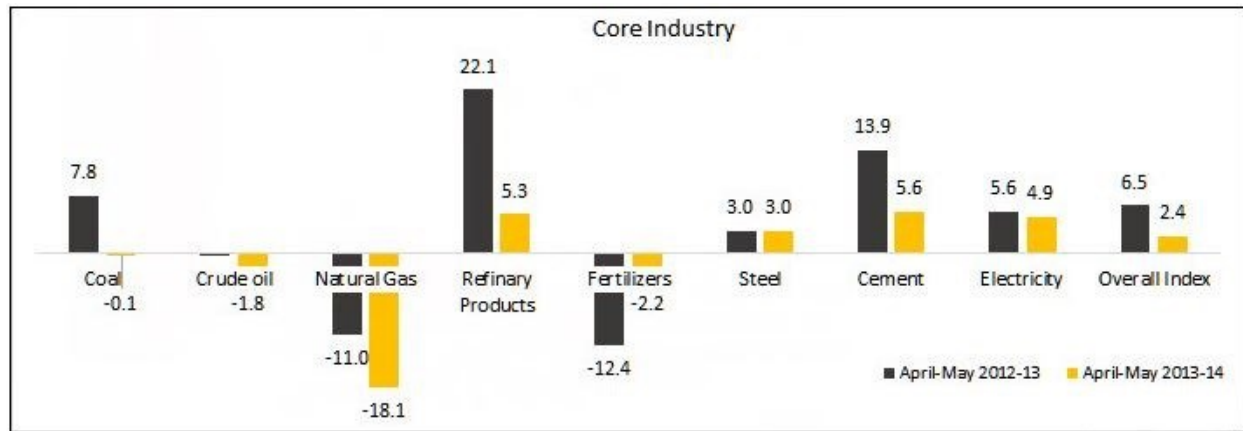
Three wheelers had improved their share in exports for Q1 FY 2013-14 to 13% from 8% during Q1 2012-13. Two wheeler share has declined and stood at 65% in Q1 FY 2013-14 as against 70% during in Q1 FY 2012-13.

*Commercial Vehicle Segment Includes Sales Figures of BharatBenz, Hino, Kamaz, MAN and Scania

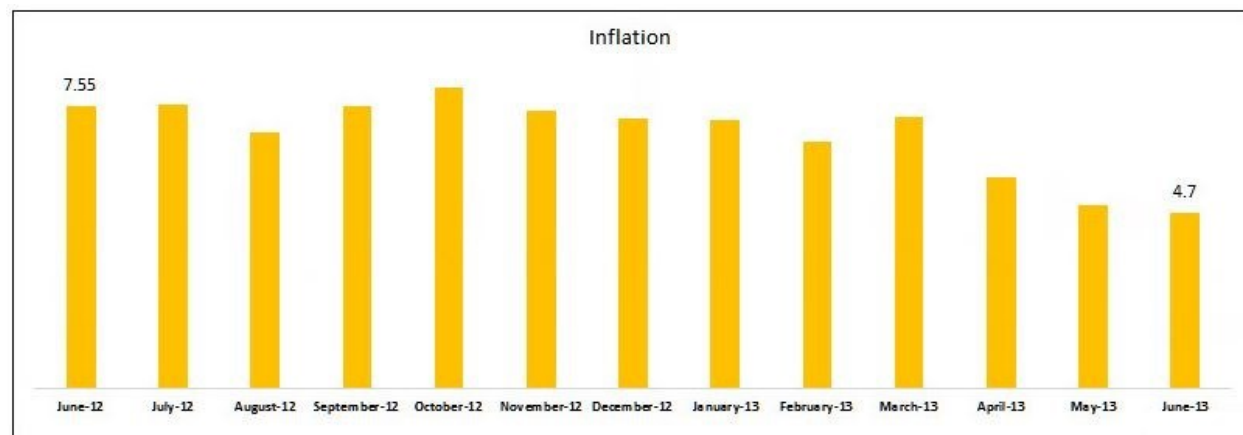
Macro-Economic Indicators



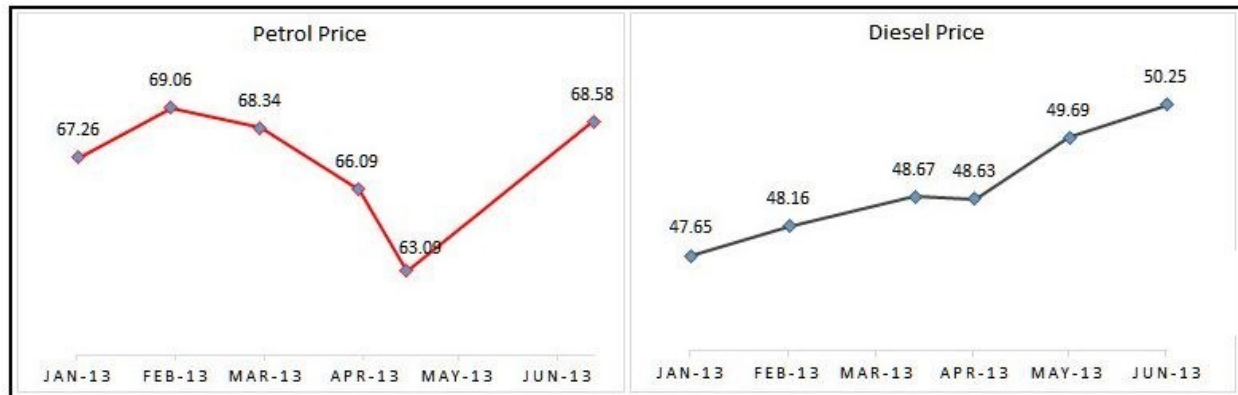
Overall industry production has hit all-time low since 9 months. At least now it's high time the Government act aggressively to save industries from breaking down.



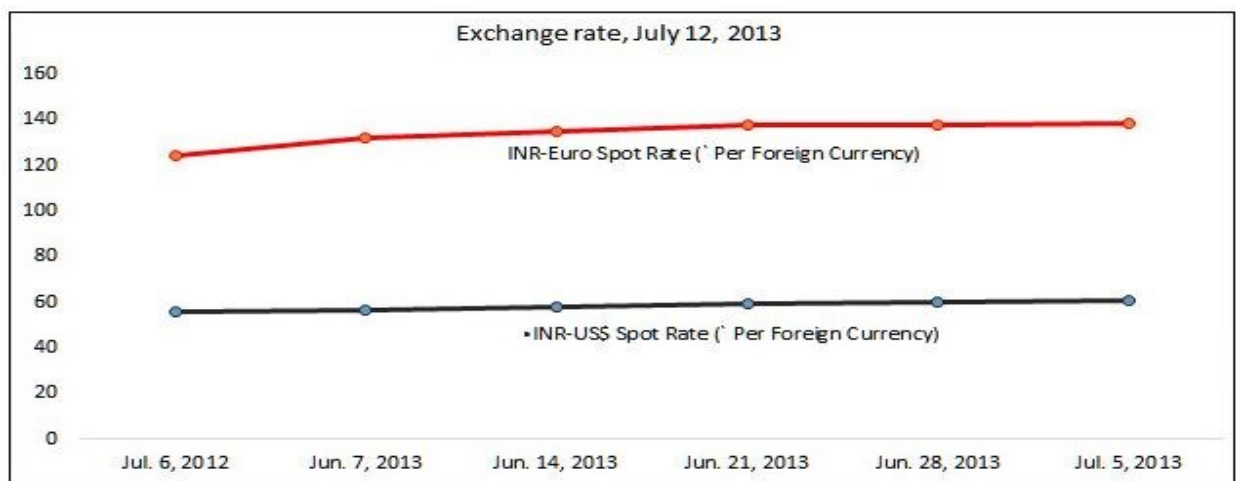
The core industries have all hit with negative growth. This is going to present the automobile industry with some trouble for the quarters to come. Commercial Vehicle industry will be significantly affected by the scenario present in Cement and Steel industry. The weakened market sentiments will further affect passenger vehicle segment as a whole.



Inflation has come down, but this only provides a marginal relief.



The uncontrollable and unpredictable petrol and diesel price hikes will have a huge and direct negative impact on the automotive industry. The dollar price scenario will further worsen the fuel price and inflation in the country.



The devaluation of Rupee against Dollar and Euro will serve as an increase in import material cost. This will adversely affect the automotive industry as imported spare parts and import raw material for spare parts will prove to a costly affair to customers.

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-Source – SAIM, CSO