

India's car sales drop for ninth time

NEW DELHI INDIA: India's car sales slid by over seven percent in July, marking a ninth month of decline, industry data showed on Monday (12 August), as an economic slump and high borrowing costs discouraged buyers.



Car companies sold 131,163 cars in India last month, down 7.4% from the same month last year, the Society of Indian Automobile Manufacturers (SIAM) said.

The car market, seen as an important guide to India's overall economic health, has recorded a fall in sales for an unprecedented nine consecutive months.

"There's general gloom with the economic slowdown, high interest rates and high fuel costs," SIAM's deputy director-general Sugato Sen said. "It's all deterring buyers," he said.

The data is the latest in a string of grim figures underscoring the weak state of Asia's third-largest economy.

The market's downturn is in sharp contrast to the previous decade when car sales grew by between 20% and 30%, prompting foreign companies ranging from Ford to Volkswagen to make a beeline for the country as they sought to boost sales globally.

Total bus and truck sales, another important economic health barometer, fell in July by 14.9% to 55,301 units from a year ago.

Meanwhile, sales of motorcycles, a popular means of personal transport, slipped by 1.5% to 809,312 units.

A sharp fall in the Indian rupee has dashed hopes of interest rate cuts anytime soon to kick-start consumer demand and the economy, which grew at a decade-low of five percent last year.

Last year, domestic passenger car sales fell by 6.7% to 1.89m units from a year earlier, the first contraction in a decade. SIAM has declined to set a sales target for this year.

Source: AFP via I-Net Bridge

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