

# India's Car Production and Sales in 2024

## 2024印度汽車產銷概況

### Introduction

India, home to 1.4 billion people, stands as one of the world's most populous nations and a key player in the global economy. With a GDP (PPP) of US\$11.9 trillion and a robust 7.2% growth in 2022, the nation showcases its resilience and potential. Over the past five years, India has maintained an average growth rate of 4.2%, with a per capita GDP of US\$8,398, highlighting its evolving consumer market.

Despite challenges, such as a 6.0% unemployment rate and 6.7% inflation, India's economy continues to attract global attention. In 2022, Foreign Direct Investment (FDI) inflow reached an impressive US\$49.4 billion, reflecting growing confidence in India's market potential. However, with public debt at 81.0% of GDP, fiscal sustainability remains a priority.

This economic backdrop sets the stage for India's car market, an industry poised to leverage the country's vast population, increasing purchasing power, and expanding global trade connections.



### India's Car Production Statistics

#### · Yearly Growth Analysis

In 2022, the total car production was 3,901,332 units. In 2023, production rose significantly to 4,217,122 units, marking an 8.1% year-on-year (YoY) growth. This growth was driven by higher production in the first quarter of 2023 and consistent performance during the festive months.

However, in 2024, despite strong numbers in the first half, the total production (up to November) stood at 4,096,866 units. This

suggests a potential decline of around 2.8% compared to the full-year production of 2023. While the early months of 2024 showed robust growth, the production in the second half of 2024 did not maintain the same momentum as the corresponding period in 2023.

India's Car Production	Jan.	Feb.	Mar.	Apr.	May	Jun.
2022	310,334	313,042	327,578	307,506	296,841	324,011
2023	375,940	337,709	361,007	316,122	345,567	331,862
2024	417,948	386,741	380,392	351,290	369,648	334,505
	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
2022	358,888	333,484	372,126	330,989	343,505	283,028
2023	393,094	374,018	375,967	382,395	330,097	293,344
2024	397,854	376,726	363,078	367,185	351,499	

#### · Monthly Analysis of 2022-2024 Car Production

In 2022, car production exhibited significant fluctuations throughout the year. January 2022 began with 310,334 units, and the highest production was recorded in September 2022 at 372,126 units. The lowest production occurred in December 2022 with 283,028 units. The average monthly production for 2022 was approximately 325,944 units. The year saw steady growth during the festive season (September-October) but ended with a notable decline in December.

In 2023, production showed a noticeable increase across most months compared to 2022. January 2023 started strong with 375,940 units, reflecting a 21% increase compared to January 2022. Production peaked in October 2023 at 382,395 units. However, December 2023 recorded a decline to 293,344 units, though it still showed an improvement of 3.6% over December 2022. Monthly production in 2023 averaged 351,427 units, a clear indication of growth over the previous year.

For 2024, car production began at 417,948 units in January, representing a robust 11.2% increase compared to January 2023. However, monthly production showed variations throughout the year. February 2024 reached 386,741 units, which was higher than the previous two years for the same month. Production peaked in July 2024 at 397,854 units before stabilizing in the latter months, with November 2024 recording 351,499 units. Despite this, the absence of December 2024 data makes it challenging to assess the year-end performance.

#### · Growth and Decline Trends

Comparing monthly trends, the January-to-March quarter in 2024 demonstrated a strong YoY growth over 2023, with production figures consistently higher each month.



For instance, January 2024's production of 417,948 units represented an 11% YoY growth over January 2023. Similarly, February 2024's 386,741 units marked a 14.5% growth compared to February 2023. However, growth began to slow in the middle of the year, with May 2024 showing only a 7% increase over May 2023.

**The second half of 2024 exhibited signs of stagnation, particularly from August onwards.** August 2024's production of 376,726 units represented just a 0.7% increase compared to August 2023. September 2024 even recorded a slight decline of 3.4% compared to the same month in 2023. This trend suggests that while the first half of 2024 was marked by growth, the latter months struggled to sustain momentum, potentially due to macroeconomic factors or supply chain disruptions.

## Sales Performance

**The Indian automotive market exhibited moderate growth in 2024.** Focus2Move reported that car sales in November 2024 totalled 351,668 units, marking a 3.2% increase compared to the same period in the previous year. Year-to-date figures stood at 4 million units, reflecting a 3.4% growth.

Maruti Suzuki maintained its leadership position with approximately 1.6 million passenger cars sold across India in the financial year 2024, followed by Hyundai and Tata Motors.

## Market Trends and Consumer Preferences

A significant trend in 2024 was the increasing consumer preference for SUVs over small cars. In October 2024, major carmakers reported a surge in SUV sales, coinciding with the festive season. Maruti Suzuki's SUV sales rose by 19.4%, achieving record highs, while Mahindra & Mahindra reported a 25% increase in SUV sales, marking its highest monthly sales in the fiscal year. Hyundai Motor India also achieved its highest-ever monthly SUV sales at 37,902 units.

Conversely, sales of small cars continued to decline. In September 2024, Maruti Suzuki and Tata Motors experienced declines in dealer sales by 3.9% and 8%, respectively, attributed to the slowing demand for smaller vehicles.

## Electric and Hybrid Vehicles

India's ambition to have electric vehicles (EVs) account for 30% of new car sales by 2030 faced challenges in 2024. While EV sales rose by about 7% in the first eight months of the year, hybrid vehicles saw a 20% increase, overshadowing EV growth. The lack of sufficient charging infrastructure and favorable policies for hybrids contributed to this trend. **Consequently, EVs represented only 2.5% of new car sales in the first half of the year.**

## Conclusion

India's car production between 2022 and 2024 reflects a dynamic landscape of growth, recovery, and challenges. With an 8.1% YoY growth in 2023 and a slight decline anticipated in 2024, the industry is poised for further evaluation of its production strategies to maintain long-term growth. Automakers must focus on improving efficiency and addressing supply chain constraints to navigate the challenges and capitalize on future opportunities.

Over the three years, India's automotive production demonstrated steady growth, with the total production increasing from 3.90 million units in 2022 to 4.21 million units in 2023, followed by a possible slight contraction in 2024. Key trends include:

- **Post-pandemic Recovery:** 2022 marked the recovery phase, as production levels improved significantly compared to the pandemic years.
- **Peak Festive Demand:** September and October consistently witnessed high production levels due to strong consumer demand during the festive season.
- **Shift Toward Stabilization:** While 2023 saw robust growth, 2024's production numbers suggest stabilization as the industry adjusts to new market dynamics and supply chain challenges. ■

<sup>1</sup>[https://www.marklines.com/en/statistics/flash\\_prod/automotive-production-in-india-by-month?utm\\_source=chatgpt.com#feb](https://www.marklines.com/en/statistics/flash_prod/automotive-production-in-india-by-month?utm_source=chatgpt.com#feb)

<sup>2</sup>[https://www.focus2move.com/indian-autos-market/?utm\\_source=chatgpt.com](https://www.focus2move.com/indian-autos-market/?utm_source=chatgpt.com)

<sup>3</sup>[https://www.statista.com/statistics/1090709/india-car-sales-volume-by-oem/?utm\\_source=chatgpt.com](https://www.statista.com/statistics/1090709/india-car-sales-volume-by-oem/?utm_source=chatgpt.com)

<sup>4</sup>[https://www.reuters.com/business/autos-transportation/indias-mahindra-posts-25-jump-oct-car-sales-dealers-festive-demand-2024-11-01/?utm\\_source=chatgpt.com](https://www.reuters.com/business/autos-transportation/indias-mahindra-posts-25-jump-oct-car-sales-dealers-festive-demand-2024-11-01/?utm_source=chatgpt.com)

<sup>5</sup>[https://www.reuters.com/business/autos-transportation/mahindra-leads-indian-carmakers-sales-rebound-ahead-festive-season-tata-lags-2024-10-01/?utm\\_source=chatgpt.com](https://www.reuters.com/business/autos-transportation/mahindra-leads-indian-carmakers-sales-rebound-ahead-festive-season-tata-lags-2024-10-01/?utm_source=chatgpt.com)

<sup>6</sup>[https://www.reuters.com/breakingviews/india-takes-ev-goal-lengthy-hybrid-detour-2024-11-20/?utm\\_source=chatgpt.com](https://www.reuters.com/breakingviews/india-takes-ev-goal-lengthy-hybrid-detour-2024-11-20/?utm_source=chatgpt.com)

