

Honda raises car prices up to 14.37 percent

KARACHI: Honda Atlas Cars (Pakistan) Limited (HACPL) is increasing prices of its vehicles, including Civic and City, by Rs260,000 to Rs425,000 effective from Monday June 24, 2019, the company notified new prices to its dealers on Friday.

“Due to recent Pak rupee devaluation and owing to its negative exchange rate impacts, HACPL is compelled to increase the prices of Honda Cars wef June 24, 2019,” the letter said.

The highest increase of 14.37 percent was recorded in the price of BR-V CVT, which saw a value increase by Rs350,000. New price of BR-V CVT is set at Rs2.784 million from Rs2.434 million earlier.

The lowest increase of 10.5 percent was made on Civic Turbo RS. Its price increased by Rs400,000 to Rs4.199 million from Rs3.799 million.

Civic 1.8 L VT SR CVT saw the highest price increase of Rs425,000 to Rs3.824 million from Rs3.399 million, whereas lowest increase of Rs260,000 was noted on six models including City 1.3 L MT, 1.5L MT, 1.3L AT, 1.5L At, and City 1.5 L Aspire MT. New prices of these models would now be Rs2.179 million, Rs2.239 million, Rs2.319 million, Rs2.379 million, and Rs2.394 million, respectively.

Civic 1.8L VTI CVT and Turbo RS saw an increase of Rs400,000 each. They would now be sold at new prices of Rs3.599 million and Rs4.199 million, respectively.

BR-V CVT and BRV-V S CVT has recorded a price increase of Rs350,000 each to Rs2.784 million and Rs2.919 million, respectively. BR-V MT's price has been increased by Rs305,000 to Rs2.589 million from Rs2.284 million, while City 1.5 L Aspire AT has recorded a price increase of Rs280,000 to Rs2.554 million from Rs2.274 million.

Honda Atlas said the current price of Civic 1.8L would be applicable till June 29 on back orders, while back orders due till June 2019 and payments clear (parked) till June 21 would be delivered on the current prices.

“Any increase in the government taxes and duties will put further burden on the prices,” the letter said.

In the budget proposals for 2019-20, a federal excise duty (FED) of 2.5 percent has been proposed on cars with 1000cc and below engine capacity, and 5.0 percent FED on vehicles between 1001cc to 2000cc engines, whereas cars with above 2000cc engines would be imposed with 7.5 percent FED.

Analysts said the imposition of FED on all vehicles would increase prices and as a result dent sales.

“From July 1, 2019 and Government Taxes (FED, Custom Duty etc,) will be added on these new prices and will be communicated accordingly,” the letter said. Honda was struggling with its sales in the first eleven months of FY19. During July 2018 to May 2019 sales of Honda Civic and City went down by 7.0 percent to 37,083 cars from 39,869 units, compared to the same period last year.

One analyst said Indus Motors had increased its prices several times in one year, while Pak Suzuki also increased prices recently. Honda struggled to increase the rates.

Pak Suzuki Motor Company (PSMC) increased prices of its vehicles from Rs10,000 to Rs100,000 from April 1, 2019.