


Car sales fall 48pc in January

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KARACHI: Car sales plummeted 48 percent year-on-year to 11,787 units in January as waning buying power amid economic slowdown continued to take toll on auto industry.

Brokerage Topline Research on Tuesday said car sales were recorded at 22,513 units in the corresponding month a year earlier. In January, car sales slightly fell two percent month-on-month contrary to historical trend.

Hammad Akram, analyst at Topline Research said car sales tend to rise month-on-month in January owing to the New Year phenomenon. The last time car sales declined in January was back in 2006.

Excluding sales of Pak Suzuki Motor Company (PSMC), car sales increased 87 percent month-on-month last month. In mid-December last year, PSMC announced increase in car prices, which got effective from January this year 2020, resulting in pre-buying in December.

In January, sales of Indus Car and Honda Car increased 72 percent to 4,022 units and 120 percent to 2,210 units, respectively, over December 2019. Those have been the highest monthly sales recorded by Indus and Honda so far in the current fiscal year, Akram said.

“We believe car sales to have largely bottomed in December 2019, with major impetus likely to be seen from the start of FY2021,” he added.

Overall, car sales trend remained dismal for all three players in January compared to the same month a year earlier. Car sales by Pak Suzuki, Honda and Indus tumbled 53 percent to 5,555 units, 51 percent from 4,518 units and 36 percent from 6,249 units, respectively.

Akram said car sales dropped 45 percent to 78,806 units in the first seven months of the current fiscal year units owing to higher car prices and high interest rates.

Honda witnessed the biggest sales drop, in terms of percentage points, with its volume standing at 10,356 units in July-January 2019/20 compared to 28,796 units in the comparable period a year ago, depicting a 64 percent decrease.

Car sales by Indus slid 53 percent to 18,197 in 7MFY2020. PSMC's sales dipped 33 percent to 50,253 in the period under review. Sales of motorcycles and three-wheelers fell four percent year-on-year in January. Their sales, however, rose 11 percent month-on-month. In July-January period, sales of motorcycles and three-wheelers dived 11 percent to 740,043 units.

Motorcycle sales by Atlas Honda remained flat at 95,016 units. However, they were up 12 percent year-on-year. Tractor sales recorded a 92 percent month-on-month increase in January, led by Al-Ghazi Tractors' growth of 530 percent, while Millat Tractor's sales also increased 30 percent. In July-January, tractor sales were down 38 percent to 17,447 units, the brokerage said, citing statistics of Pakistan Automotive Manufacturers Association.