

By Our Correspondent

Car sales dive 75% owing to Covid-19

KARACHI: The Covid-19 pandemic continued to batter the automobile sector in May 2020 as car sales plunged 75% on a year-on-year basis primarily due to the shutdown of businesses under a lockdown imposed to contain the spread of the disease.

However, automakers managed to sell a modest quantity of vehicles compared to virtually no sales in April 2020 as businesses were shuttered.

According to data released by the Pakistan Automotive Manufacturers Association (Pama) on Wednesday, car sales were recorded at 4,473 units in May 2020 compared to 17,781 units in the same month of previous year.

“The decline in sales came mainly due to the closure of business operations by all major car assemblers, which resulted in no invoicing of cars for most of the month,” said Topline Research analyst Hammad Akram.

“Around 400-600 units were also projected to have been sold by unregistered car assemblers such as KIA during the month.”

All three major car assemblers reported depressing figures for May 2020. Honda Atlas Cars reported the largest drop in sales as volumes shrank 89% to just 326 units in May 2020. The company had sold 2,952 cars in the same month of previous year.

Indus Motor Company fared no better and recorded an 88% fall in sales at 547 units in May 2020 as opposed to 4,749 units in May 2019. Pak Suzuki Motor Company sold 3,600 units during the month under review compared to 10,080 units in the same month of previous year, a drop of 64%.

“The highest decline in sales was recorded by Honda Atlas, followed by Indus Motor and Pak Suzuki,” the analyst said.

In the first 11 months (July-May) of current fiscal year, car sales registered a decline of 54% to 102,137 units compared to 222,167 units sold in the corresponding period of previous fiscal year.

Honda Atlas registered a 65% decrease in sales in 11 months. The company sold 14,387 cars during the period as opposed to 41,676 units in the same 11 months of previous fiscal year. Sales of Indus Motor Company came in at 25,847 units in July-May FY20 against 60,053 cars sold in the corresponding period of previous fiscal year, a fall of 57%.

Pak Suzuki Motor saw sales contract 49% as they dropped from 120,438 units in July-May FY19 to 61,903 units in the period under review.

The research house expects higher sales in June 2020 as restrictions imposed by the government have been eased significantly compared to the previous month.