
Slowdown in automobile industry to end in 3 months - SIAM

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According to the Society of Indian Automobile Manufacturers, a slowdown in the automobile industry is set to reverse by the year end. It said that the slowdown, which is cyclical in nature and occurs after every 7 years, should come to an end in the next 3 months.

Mr Sugato Sen director of SIAM said that "We have witnessed a dip in growth of vehicle sales lately, which should be attributed to the cyclical change that occurs after approximately 7 years. The slowdown may be sustained in the next 2 to 3 months, but should ease off in the later periods, when the festive season starts. We will see a robust growth in the coming year."

The growth in demand for cars, commercial vehicles and two wheelers has dipped significantly in the last financial year compared with that in the previous year, owing to factors like spiraling raw material prices, drying up of credit and peaking interest rates.

According to the data provided by SIAM for the last 17 years, the industry has shown a similar drop once in 1992-93 and then again in 2000-01, both occurring within a gap of 7 year between them.

Various top automobile companies, including Maruti Suzuki, TATA Motors, Hyundai, Bajaj Auto, Hero Honda, among others, are members of SIAM.

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