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## **Tight financing impacting 2 wheeler sales - Honda CEO**

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According to Mr Shinji Aoyama CEO & president of Honda Motorcycle & Scooter India, more than high interest rates, stringent conditions laid down by financiers are hitting the two wheeler industry.

Mr Aoyama at a function here to launch the new Activa gearless scooter added that “However for HMSI our problem is relatively smaller than others.”

HMSI has tie ups with SBI, HDFC, Shriram Transport Finance and regional cooperative banks to finance customers for its product range.

Mr NK Rattan operation head, sales & marketing of HMSI said that “Since January 2007, we have been seeing a drastic withdrawal of financing by banks. However, this has been offset by customer demand for two wheelers.”

He said that nearly 80% of HMSI buyers paid by cash with the rest opting for financing.

HMSI sold 1.07 million two-wheelers last fiscal against 9.07 lakh units in 2007-08, an increase of 18 per cent.

(Sourced from Business Line)

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