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Pakistan

Automobile Assembler

Another slow year

FY24 passenger car volumes declined by 15% YoY; June-24 posted growth

As per the latest auto sales data released by PAMA for June 2024/FY24, car sales volumes decreased by ~15% YoY in FY24 to 81,577 units. In June 2024, passenger car volumes surged by 19.3/137.9% MoM/YoY. Various factors such as high car prices and high interest rates have plagued auto volumes for the outgoing year. Note that FY24 passenger car volumes are even lower than volumes sold during the COVID-19 pandemic (FY20: 96,455 units). Category-wise, below 1000cc car segment performed relatively well. Moreover, tractor sales remained quite impressive, unlike the general industry trend, with MTL being the volume leader.

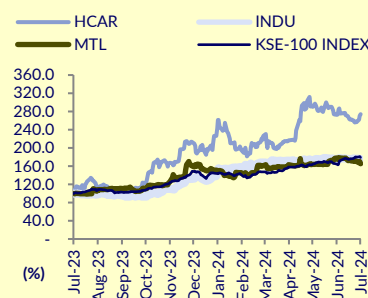
Volumes below pandemic levels: PAMA released FY24 auto industry volume numbers yesterday. FY24 passenger car volumes declined to 81,577 units, reflecting growing pressures on consumer buying power. FY20, which was the Covid-hit year, saw total unit sales of 96,455. Moreover, June-24 volumes increased by 19.3/137.9% MoM/YoY.

Below 1000cc segment delivered a relatively strong performance: The 'below 1000 cc' category stood strong as compared to higher end categories as lower purchasing power of consumers shifted their tilt towards relatively cheaper models like Suzuki Alto. Note that 35,883 units of Alto were sold for the year, up by 1.4%. However, Suzuki Bolan sales were down by 37.6% YoY.

The 1000cc segment declined by 39.7% YoY in FY24, with Suzuki Cultus/Wagon R sales coming down by 44.2/33.8% YoY. Similar trends were witnessed in 1300cc and above category, as this segment's sales slipped by 20.5% YoY. Vehicle-wise, Honda Civic & City, Suzuki Swift, Corolla & Yaris, Hyundai Elantra, Hyundai Sonata posted a decline of 10.3/40.4/13.4/44.8/38.5% respectively.

Tractor segment was the key performer: Unlike the auto industry, tractor volumes remained quite impressive, surging by 47% YoY. Millat tractors experienced an increase of 62.2% while Al-Ghazi tractors' (Fiat) sales grew by 24.1% YoY. Tractor industry was able to perform due to increased focus on localization (resulting in lesser price fluctuations) and a growing focus on exports.

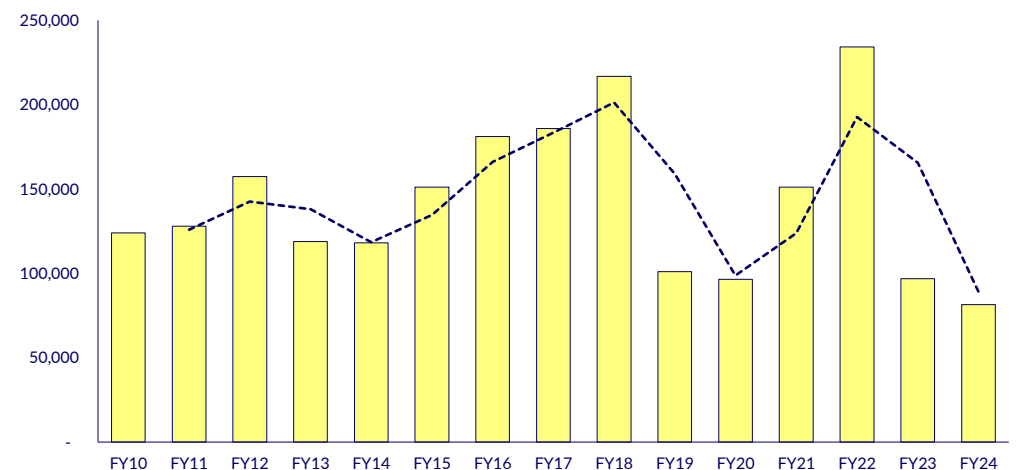
Autos vs KSE100 performance



Source: PSX, Alfalah CLSA Research

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Car Volumes over years



Source: PAMA, Alfalah CLSA Research

Situation does not seem encouraging: We highlight that a declining interest rate environment might provide some support to dwindling car volumes every year. However, overall economic situation, marred by a tight budget, does not seem to provide much respite to the industry-wide sales situation.

Auto Sales Number								
Units	Jun-24	May-24	MoM	Jun-23	YoY	FY24	FY23	YoY
PSMC								
Suzuki Swift	939	714	32%	277	239%	5,567	9,338	-40%
Suzuki Cultus	526	229	130%	264	99%	3,878	6,956	-44%
Suzuki WagonR	372	253	47%	165	125%	3,595	5,434	-34%
Suzuki Bolan	356	447	-20%	262	36%	2,774	4,447	-38%
Suzuki Alto	4,352	4,062	7%	1,913	127%	35,883	35,379	1%
Suzuki Ravi	340	305	11%	127	168%	2,731	3,808	-28%
Total	6,885	6,010	15%	3,008	129%	54,428	65,362	-17%
INDU								
Corolla & Yaris	2,293	1,562	47%	984	133%	16,305	18,838	-13%
Fortuner & Hilux	664	485	37%	862	-23%	4,465	12,266	-64%
Total	2,957	2,047	44%	1,846	60%	20,770	31,104	-33%
HYUNDAI								
Hyundai Porter	256	214	20%	80	220%	2,015	1,319	53%
HYUNDAI Tucson	495	298	66%	313	58%	3,475	4,774	-27%
Elantra	196	108	81%	88	123%	1,193	2,162	-45%
Sonata	112	63	78%	77	45%	881	1,433	-39%
Total	1,059	683	55%	558	90%	7,564	9,688	-22%
HCAR								
Civic & City	982	1,049	-6%	227	333%	11,501	12,823	-10%
HONDA BR-V & HR-V	113	138	-18%	80	41%	1,713	4,056	-58%
Total	1,095	1,187	-8%	307	257%	13,214	16,879	-22%
TRUCKS								
HINO	14	17	-18%	15	-7%	199	584	-66%
ISUZU	120	111	8%	37	224%	1,243	1,463	-15%
Total	134	128	5%	52	158%	1,442	2,047	-30%
TRACTORS								
MILLAT	2,718	2,347	16%	2,136	27%	30,203	18,622	62%
FIAT	1,416	731	94%	854	66%	15,291	12,320	24%
Total	4,134	3,078	34%	2,990	38%	45,494	30,942	47%
Grand total	16,264	13,133	24%	8,761	86%	142,912	156,022	-8%

Source: PAMA, Alfalah CLSA Research

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