Day Break

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Sector

Automobile Assemblers

Automobile Assemblers

Jul-24: Auto Sales down by -11%m/m; Passenger Car Sales down by -42%m/m

- For the month of Jul-24, total automobile sales declines by -11%m/m to 95k units, while on yearly basis overall sales inclined by +17%y/y.
- In our opinion, the m/m reduction in automobile sales is mainly due to the high base effect from June-24 when the sales surged on the back of pre-buying before the imposition of new taxes on vehicles particularly WHT in the FY25 budget.
- Going forward, auto sales volume are expected to remain dull on the back of higher taxes and duties imposed on vehicles resulting in elevated prices thus reducing the consumer purchasing power.

We review recently automobile assembler's sales data published by Pakistan Automobile Manufactures and Assemblers (PAMA) for the month of Jul-24.

Monthly automobile sales decline by -11%m/m

For the month of Jul-24, total automobile sales declines by -11%m/m to 95k units, while on yearly basis overall sales inclined by +17%y/y.

Exhibit: Segment-wise Sales Data for Jul-24

in Units	Jul/24	Jun/24	m/m	Jul/23	y/y	1M/25	1M/24	y/y
Passenger Cars	5,857	10,128	-42%	3,702	58%	5,857	3,702	58%
Trucks	251	260	-3%	165	52%	251	165	52%
Buses	56	39	44%	30	87%	56	30	87%
Jeeps/SUV/Pickup	2,732	3,156	-13%	1,389	97%	2,732	1,389	97%
Tractors	1,460	4,134	-65%	2,678	-45%	1,460	2,678	-45%
2-Wheeler	82,597	87,294	-5%	72,421	14%	82,597	72,421	14%
3-Wheeler	2,396	2,601	-8%	1,167	105%	2,396	1,167	105%
Grand Total	**95,349**	**107,612**	**-11%**	**81,552**	**17%**	**95,349**	**81,552**	**17%**

Source: PAMA, IGI Research

Segment-wise, passenger cars sales posted a -42%y/y increase (up by +58%y/y) to 5.8k units, while jeeps/pickups segment recorded a decline of -13%m/m (+97%y/y) in total sales. Under commercial vehicles, sales of trucks & buses increased by +3%m/m (while up by +57%m/m) to 0.31k units. Whereas tractors sales recorded a decline of -65%m/m (-45%y/y) to 1.5k units.

Analyst

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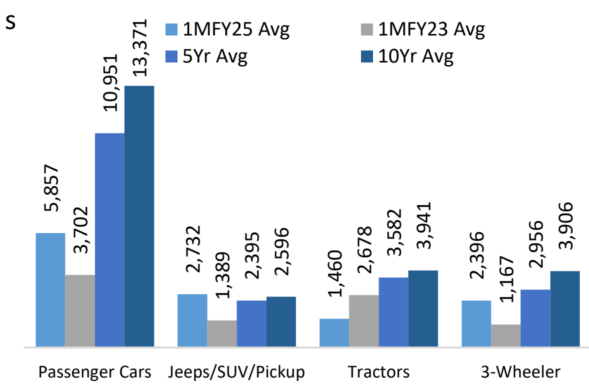
Pre-Buying in June-24 leads to a slowdown in automobile sales on m/m basis

In our opinion, the said decrease in sales is due to multiple factors, including;

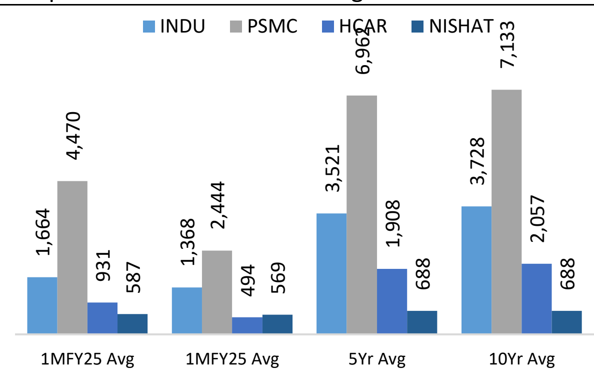
- The m/m reduction in automobile sales is mainly due to the high base effect from June-24 when the sales surged on the back of pre-buying before the imposition of new taxes on vehicles particularly WHT in the FY25 budget.
- However on a y/y basis, the significant jump in total sales can be attributed to a low base from last year amid import restrictions and plant shutdowns.

Exhibit: Historic Average Monthly Sales (units)
Automobile sector sales especially passenger cars stand below their historic average monthly sales depicting significant slowdown in demand.



Source: PAMA , IGI Research

Exhibit: Company-wise historic average monthly sales
Automobile companies have witnessed a substantial slowdown in volumes with almost 50% decline compared to their historic average.



- **INDU**: Sales volume decreased by -44%m/m to 1.6k units (+22%y/y). Under the passenger car segment Corolla & Yaris registered a decline of -52%m/m to 1.1k units and combined units sold under the variant Fortuner & Hilux also decreased by-16%m/m (+85%y/y) increase to 558 units.
- **PSMC**: Volumes declined by -35%m/m to 4.5k units (+83%y/y). Alto sales (down by -34%m/m), Wagon R (down by -63%m/m), Cultus (down by -82% m/m), Swift (down by -47%m/m), and Bolan sales down by -19%m/m. However, Ravi, under pick-up segment recorded an incline of +69%m/m.
- **HCAR**: Sales of Civic & City for the month of Jul-24 shrinked by -20%m/m to 790 units bringing total sales of HCAR to 931 units,

reducing by -15%m/m, BRV experienced an incline of +25%m/m leading to 141 units sold.

Outlook:

Going forward, auto sales volume are expected to remain dull on the back of higher taxes and duties imposed on vehicles resulting in elevated prices thus reducing the consumer purchasing power.

Exhibit: Company-wise Sales Data for Jul-24

in Units	Jul-24	Jun-24	m/m	Jul-23	y/y	1M/25	1M/24	y/y
Corolla & Yaris	1,106	2,293	-52%	1,067	4%	1,106	1,067	4%
Fortuner & Hilux	558	664	-16%	301	85%	558	301	85%
INDU	**1,664**	**2,957**	**-44%**	**1,368**	**22%**	**1,664**	**1,368**	**22%**
Civic & City	790	982	-20%	208	280%	790	208	280%
BRV & HRV	141	113	25%	286	-51%	141	286	-51%
HCAR	**931**	**1,095**	**-15%**	**494**	**88%**	**931**	**494**	**88%**
Swift	502	939	-47%	249	102%	502	249	102%
Cultus	96	526	-82%	177	-46%	96	177	-46%
Wagon R	139	372	-63%	245	-43%	139	245	-43%
Bolan	288	356	-19%	146	97%	288	146	97%
Alto	2,869	4,352	-34%	1,440	99%	2,869	1,440	99%
Ravi	576	340	69%	187	208%	576	187	208%
PSMC	**4,470**	**6,885**	**-35%**	**2,444**	**83%**	**4,470**	**2,444**	**83%**
Elantra	33	196	-83%	80	-59%	33	80	-59%
Sonata	34	112	-70%	90	-62%	34	90	-62%
Tucson	113	495	-77%	328	-66%	113	328	-66%
Porter	349	256	36%	71	392%	349	71	392%
Santa Fe	58	305	-81%	0	0%	58	0	0%
Nishat	**587**	**1,364**	**-57%**	**569**	**3%**	**587**	**569**	**3%**
AGTL	**855**	**1,416**	**-40%**	**1,022**	**-16%**	**855**	**1,022**	**-16%**
MTL	**605**	**2,718**	**-78%**	**1,656**	**-63%**	**605**	**1,656**	**-63%**
ATLH	**70,255**	**80,204**	**-12%**	**62,012**	**13%**	**70,255**	**62,012**	**13%**
PSMC (2w)	**1,643**	**1,570**	**5%**	**957**	**72%**	**1,643**	**957**	**72%**

Source: PAMA, IGI Research

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