

## **India's car makers post mixed sales in July**

India's largest passenger carmaker Maruti Suzuki, which is struggling to recover from a deadly labour unrest problem at one of its plants, posted a nine percent rise in monthly sales on Wednesday. Its rivals showed mostly weak sales, amid hefty taxes, elevated fuel prices and stubborn inflation that has kept interest rates high, pushing up the cost of vehicle loans. Maruti Suzuki India, majority-owned by Japan's Suzuki Motor Corp, said passenger car sales in July rose 9.2 percent to 82,234 vehicles thanks to a low base effect from last year when sales were down due to protracted labour troubles. Maruti last month was hit again by labour unrest — the worst ever in its three-decade history — that left a manager dead and nearly 100 other executives hurt at its Manesar plant, which is responsible for 40 percent of its output. The company said last week it had begun assessing the extent of the damage caused by the worker riot at the plant and did not know when it would reopen. Meanwhile, the local unit of Hyundai Motor, which mostly sells petrol vehicles, reported a 1.5 percent decline in local sales to 49,667 vehicles in July. Ford India domestic sales slid 16.8 percent to 6,236 vehicles in July, while General Motors in India fell 23.3 percent to 7,285 units. Ford India said the country's auto market conditions remained "challenging" as consumer confidence is yet to recover from the effects of a recent hike in petrol prices, ongoing high interest rates and inflation. Ford India's president Michael Boneham said he expects the "difficult market situation to ultimately recede in the long run". Tata Motors, which owns British luxury brands Jaguar and Land Rover, bucked the trend, as its July car sales surged 53 percent to 26,240 units, with growth seen across all segments. India, which has been one of the world's fastest-growing car markets in recent years, has been suffering a slowdown in demand as some buyers defer purchases due to expensive loans and high fuel costs. The Society of Automobile Manufacturers (SIAM) forecasts car sales will grow by nine to 11 percent in the current financial year, which ends next March, on hopes that possible interest rate cuts will make auto loans cheaper and spur demand.