

# Tata Motors expands CV mkt share to 3-yr high

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It is not just cars in which Tata Motors is gaining market share year after year. The company is also expanding, or rather recovering its lost share, in commercial vehicles (CVs), the mainstay of its domestic operations.

The CV market share of Tata Motors is inching up for the second consecutive year and is now at a three-year high. The biggest player in the domestic CV market has made gains in a rapidly growing CV market.

Analysis of the data of the Society of Indian Automobile Manufacturers shows the auto major has expanded its market share in medium and heavy commercial vehicles (M&HCVs), which include primarily trucks and a small quantity of buses, to a three-year high of 51 per cent in the first half of 2018-19.

In 2017-18, the share was at 49.3 per cent, a marginal improvement from the 49.2 per cent in 2016-17.

The share gain is not restricted to M&HCVs. In the light commercial vehicle (LCV) segment too, the company has ramped up its share to 41.2 per cent, the highest in four years. The LCV share had fallen to 38 per cent in 2016-17 and then recovered to 40.3 per cent last year. This is the third consecutive year of market share improvement in the segment.

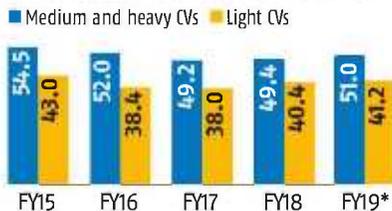
Girish Wagh, president of the commercial vehicles business at Tata Motors, said volume growth and the gain in market share across segments had been possible because the company's BS-IV products had been accepted and customers had been able to realise better performance and value from them. "The production ramp-up to meet the growing demand has further ensured that we are able to not only keep pace with the demand but also exceed industry growth," he added.

Against the 55 per cent growth in the industry's M&HCV volume, the company has grown 62 per cent in April-August to 77,171 units. Similarly, in LCVs, Tata Motors' sales volume expanded at 44.6 per cent to 98,881 units against the indus-



## CV SEGMENT ASPECT

Share relates to domestic market in (%)



\* Apr-Aug;

Source: Siam

try growth of 34.4 per cent.

Tata Motors' closest rivals in both the segments — Ashok Leyland in M&HCVs and M&M in LCVs — lost market share this year even though their volumes have grown in double digits. Ashok Leyland, the second-biggest player in M&HCVs, had a market share of 32.6 per cent in April-August of 2018-19 against 34.2 per cent in 2017-18.

M&M, which had emerged as the biggest player in the LCV space during FY17, has slipped in market share. Its share in the first five months of 2018-19 was at 37.8 per cent against almost 40 per cent in 2017-18. Tata Motors reclaimed top position in LCVs last year and it continues to hold on to it. "The cyclical nature of this industry offers an opportunity to players to redefine their strategy and emerge

stronger. Tata Motors has managed to do exactly this over the recent quarters. We expect it to sustain the momentum in the coming quarters on the back of demand from segments such as infrastructure and mining," said Amit Kaushik, managing director (India) at automobile consultancy firm Urban Science.

Wagh said the company had rolled out initiatives to engage with customers and dealers along with financiers to understand the requirements in order to turn around the CV business. "The timely launch of a range of new and technologically superior products across all segments has contributed to robust growth in volumes and helped market share growth," he added.

Listing growth drivers like road construction, affordable housing and irrigation projects, Wagh said 2018-19 was likely to remain strong and the second half might also see growth in double digits despite a high base in the second half last year.

While the CV market share has improved since 2016-17, when Cyrus Mistry stepped down as chairman, it is still lower than the share in 2014-15. The company commanded a share of over 54 per cent in M&HCVs in 2014-15 and a 43 per cent share in LCVs. The market share loss in CVs was one of the points on which Mistry was attacked by the Tata Group in 2017.