

# Automakers cut production to align with falling demand

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Home-grown auto majors Tata Motors and Mahindra & Mahindra (M&M) are suspending automobile manufacturing in order to adjust production with market demand.

M&M today said it will be suspending production for 8-14 days in the ongoing quarter while Tata Motors also confirmed taking steps to align manufacturing with tapering demand.

In a regulatory filing, M&M said it would be observing "no production days" in various plants for 8-14 days during the second quarter of 2019-20.

When contacted, a Tata Motors spokesperson said, "as indicated earlier, external environment remains challenging, leading to demand contraction. We have aligned

our production to actual demand and adjusted the number of shifts and contractual manpower."

The companies are announcing production suspension at a time when the domestic auto industry has been going through one of the longest sales slumps.

In April-July, M&M's total domestic vehicles sales dipped 8 per cent to 1,61,604 units as against 1,75,329 units in the year-ago period.

Overall sales of the company, including exports, were also down 8 per cent during the period at 1,71,831 units as compared to 1,87,299 units in April-July period of the last fiscal.

On Thursday, auto components maker Jamna Auto said it may suspend production at all its manufacturing facilities this month due to poor demand from customers.

The company is a leading manufacturer of tapered leaf and parabolic springs for commercial vehicles and caters to companies such as General Motors Co, Toyota Motor Corp and Tata Motors.

On Wednesday, Maruti Suzuki India said it has cut its production in July - for the sixth month in a row - by 25.15 per cent.

Similarly, auto components major Bosch said it would temporarily stop production at its two plants separately this month for a total of 13 days to "avoid unnecessary build-up of inventory."

The auto industry has been going through a prolonged slump. Passenger vehicles segment has been the worst hit with sales continuing to decline for almost a year now.