

Auto slowdown may bottom out in Q3: ATMA

Steady revival will mark FY21, says DG

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The contraction in the automotive sector due to economic slowdown will bottom out in the third quarter of the current fiscal, according to the Automotive Tyre Manufacturers' Association (ATMA).

"The growth in sales of passenger vehicles and two-wheelers in the month of October has brought much-needed respite to the sector after months of de-growth which had dampened the sentiment," said Rajiv Budhraj, director general (DG), ATMA in the latest newsletter. "It is expected that economic de-growth will bottom out in Q3 and a slow and steady revival will mark FY21," he said.

Mr. Budhraj hopes the



new reform measures announced by the Centre, especially the cut in corporate tax rates, would help revive sentiment.

In the first six months of FY20, overall tyre production dropped by 11% to 148 lakh units. Truck and bus tyre production witnessed a sharp fall of 31% while that of passenger cars and motorcycle tyres contracted by 11% and 8% respectively.