

Honda drives in new City

Discontinues diesel engine models in a major move

VIKRAM CHAUDHARY
New Delhi, March 2

MIDSIZE SEDANS SEEM to be gaining traction once again with Honda Cars India on Thursday launching the new City, priced at ₹11.49 lakh onwards (ex-showroom).

Takuya Tsumura, president & CEO, Honda Cars India, told FE that a sedan shape will never go out of style. "There weren't many all-new sedan launches over the last few years and that's why customer interest in sedans got reduced. Now, thanks to new entrants, there is a renewed interest in this body shape," he said. "The new City has been designed to attract people to the showrooms, and is a very high-value offering in terms of technology and design."

The market share of sedans had dropped from 6.9% in FY17 to 2.8% in FY22. During April-January of the current fiscal, their sales grew 40%, to about 93,000 units from 66,495 units, and the market share rose to 3%. This resurgence was led by Skoda Slavia and Volkswagen Virtus — the two new midsize sedans launched last year.

The changes in the new City includes a redesigned exterior, new features such as wireless Android Auto and Apple CarPlay, wireless phone charger, and the car is BS6 RDE compliant on E5 fuel and is E20 compatible. The fuel effi-



Takuya Tsumura, president & CEO, Honda Cars India, with the new City sedan, which was launched on Thursday

ciency of the City e:HEV (hybrid car) has been increased to 27.13 km/litre, from the earlier 26.5 km/litre.

A major change is that the diesel engine has been discontinued. Kunal Behl, vice-president, marketing & sales, Honda Cars India, told FE that diesel engine across all Honda models is being discontinued, not just the City. "There is more focus on carbon-neutral powertrains, and for that we have the hybrid and ethanol blend ready engines," he said.

Diesel anyway didn't contribute much to City sales. Over the last few months, only 8% City sales were diesel.

The carmaker now wants to increase the sales share of hybrid. When the City e:HEV was launched, its sales share within the City model range was 8%, but Behl said it is steadily rising. "Now we are targeting 15% sales share of hybrid."

The City e:HEV is expensive, and is priced from ₹18.89 lakh

to ₹20.39 lakh.

The City is the largest selling midsize sedan in India. In FY22, Honda sold 37,137 units of the City — more than Hyundai Verna (20,052) and Maruti Suzuki Ciaz (15,869) combined. In April-January FY23, the City sold 30,382 units — more than Verna (15,967) and Ciaz (12,518) combined. The City has also sold more than the Slavia and Virtus combined (about 30,000 units).

Automotive analysts said that sales of midsize sedans will rise further, as Hyundai drives in the all-new Verna later this month.

Gaurav Vangaal, associate director, light vehicle forecasting, S&P Global Mobility, said that with the all-new Verna, expect sales jump in the short term. "The kind of design and technology Hyundai is known to offer the Verna with, attracts a large section of buyers, at least in the first few months of the launch," he said.

