



# INDIAN AUTOMOBILE INDUSTRY – TWO-WHEELERS

---

Industry hopeful of sustained  
recovery, going forward

FEBRUARY 2024



## 1 Trends in Domestic Two-Wheeler Industry



## 2 Monthly Trend in Domestic and Export Sales



## 3 Segment-wise Domestic Sales Trend



## 4 Trends in Market Share and Segment Mix



## 5 ICRA's Outlook



## 6 ICRA Ratings in the Sector





[Click to see full report](#)

*Wholesale volumes reported a healthy YoY growth of ~26% in January 2024, aided by steady improvement in demand; volumes represented a strong growth on sequential basis with wholesales curtailed by OEMs in December 2023*



**Retails record a healthy YoY growth** – Retail sales in January 2024 represented a healthy YoY growth of ~15%, raising hopes of a sustained recovery in the industry. Retail sales had remained at healthy levels during the recently-concluded festive season, representing a YoY growth of ~21%.



**Domestic two-wheeler (2W) wholesale volumes grow at a healthy pace** – In January 2024, domestic wholesale volumes, at 1.44 million units, represented a healthy growth of ~22% on a sequential basis, with OEMs limiting their production in December 2023 due to the end of the calendar year. Concerns continue to persist regarding sustained demand recovery amid material rise in the cost of ownership.



**E2W sales continue to improve** – Electric two-wheeler (e2W) retail volumes, after declining to ~45,000 units in June 2023 (post pre-buying in May 2023), improved to ~82,000 units in January 2024. Despite the improvement, the volumes remained impacted to an extent by material price hikes by e2W OEMs to help offset the impact of the reduction in the FAME II subsidy from June 1, 2023.



**Exports outlook continues to be weak** – Export volumes remain weak, with shortage of forex and inflationary pressures in key African markets, impacting 2W affordability. The OEMs expect export demand to remain impacted for at least another quarter.



**Recovery pace still uncertain; improvement in rural demand remains key** – ICRA is cautiously optimistic of a sustained demand recovery, amid multiple headwinds (elevated ownership cost, persisting inflationary pressures and rise in financing rates). Amid the impact of uneven precipitation on farm cash flows and, consequently, rural demand, concerns of a sustained demand recovery for the industry persist.



ICRA

# Analytical Contact Details

Name	Designation	Email	Contact Number
Shamsher Dewan	Group Head	<a href="mailto:shamsherd@icraindia.com">shamsherd@icraindia.com</a>	0124-4545 328
K. Srikumar	Co-Group Head	<a href="mailto:ksrikumar@icraindia.com">ksrikumar@icraindia.com</a>	044-4596 4318
Rohan Gupta	Sector Head	<a href="mailto:rohan.kanwar@icraindia.com">rohan.kanwar@icraindia.com</a>	0124-4545 808
Debadrita Mukherjee	Senior Analyst	<a href="mailto:debadrita.mukherjee@icraindia.com">debadrita.mukherjee@icraindia.com</a>	0124-4545 394





ICRA

# Business Development/Media Contact Details

Name	Designation	Email	Contact Number
L Shivakumar	Chief Business Officer	<a href="mailto:shivakumar@icraindia.com">shivakumar@icraindia.com</a>	022-61693304
Neha Agarwal	Head – Research Sales	<a href="mailto:neha.agarwal@icraindia.com">neha.agarwal@icraindia.com</a>	022-61693338
Rohit Gupta	Head Business Development – Infrastructure Sector	<a href="mailto:rohitg@icraindia.com">rohitg@icraindia.com</a>	0124-4545340
Vivek Bhalla	Head Business Development – Financial Sector	<a href="mailto:vivek.bhalla@icraindia.com">vivek.bhalla@icraindia.com</a>	022-61693372
Vipin Saboo	Head Business Development – Corporate Sector – West & East	<a href="mailto:vipin.saboo@icraindia.com">vipin.saboo@icraindia.com</a>	022-61693348
Shivam Bhatia	Head Business Development – Corporate Sector – North & South	<a href="mailto:shivam.bhatia@icraindia.com">shivam.bhatia@icraindia.com</a>	0124-4545803
Naznin Prodhani	Head – Media & Communications	<a href="mailto:communications@icraindia.com">communications@icraindia.com</a>	0124-4545860





***© Copyright, 2024 ICRA Limited. All Rights Reserved.***

All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies, while publishing or otherwise disseminating other reports may have presented data, analyses and/or opinions that may be inconsistent with the data, analyses and/or opinions in this publication. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.



ICRA

**Thank You!**