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INDIAN AUTOMOBILE INDUSTRY

Two-Wheeler Monthly Report

APRIL 2024

Highlights

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Wholesale volumes reported a healthy YoY growth of ~15% in March 2024, aided by a low base and steady improvement in demand.

Retails record a moderate YoY growth – Retail sales in March 2024 represented a moderate YoY growth of ~5%, raising hopes of a sustained recovery in the industry. Retail sales during FY2024 represented a 9% growth on a YoY basis, aided by improved sentiments.

Domestic two-wheeler (2W) wholesale volumes grow at a healthy pace – In March 2024, domestic wholesale volumes, at 1.44 million units, represented a healthy YoY growth of ~15%, aided by a low base. Despite the improved volumes, concerns continue to persist regarding sustained demand recovery amid material rise in the cost of ownership.

Electric two-wheeler (e2W) sales aided by prebuying – In March 2024, e2W volumes improved to ~137,041 units, aided by prebuying ahead of reduction in subsidy from April 2024. A reduction in prices over the recent past, aided by easing of battery prices, supported volumes.

Exports outlook continues to be weak – Monthly export volumes continue to remain weak, despite reporting a sequential improvement, with shortage of forex and inflationary pressures in key African markets impacting 2W affordability.

ICRA estimates 2W volumes to grow by 7-10% YoY in FY2025 – The wholesales over the past few months have been supported by healthy demand during the festive and wedding seasons. Even as dealer inventory remains at controlled levels, continuation of the growth momentum amid material rise in the cost of ownership remain key.

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Thank You!