



# INDIAN TWO-WHEELER INDUSTRY

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**Retails chart an improving trend;  
wholesales healthy**

**AUGUST 2024**





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*Wholesale volumes reported a moderate YoY growth of ~10% in July 2024; retails grow by a healthy 17% on YoY basis aided by improved rural demand.*



**Retails record a healthy YoY growth** – Retail sales in July 2024 represented a healthy YoY growth of ~17%, aided by improved rural demand amid a healthy monsoon precipitation. The retails also improved by ~5% on a sequential basis with extreme heat conditions impacting footfalls and walk-ins in June 2024.



**Domestic two-wheeler (2W) wholesale volumes grow at a moderate pace** – In July 2024, domestic wholesale volumes, at 1.38 million units, represented a moderate YoY growth of ~10%, aided by improved rural demand. A sustained demand recovery amid a material rise in the cost of ownership remains monitorable over the festive season.



**Electric two-wheeler (e2W) sales improve sequentially** – E2W volumes moderated in Q1 FY2025, after the pre-buying in March 2024 led to a spike in volumes. The industry reported volumes of ~61,549 units in July 2024, representing a 15% growth over a curtailed base of June 2024 (~53,439 units in June 2024).



**Export outlook continues to be weak** – Monthly export volumes continue to be constrained by shortage of forex and inflationary pressures in key African markets impacting 2W affordability in these export markets.



**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 the dealer inventory remains at controlled levels, continuation of the growth momentum amid a material rise in the cost of ownership remains key.



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