INDIAN TWO-WHEELER INDUSTRY

Healthy YoY wholesale growth; retails constrained by Shraddh period

OCTOBER 2024

Highlights

ICRA

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Wholesale sales volumes reported a healthy YoY growth of ~14% in September 2024; retails, however, declined by ~9% on YoY basis, impacted to an extent by the Shraddh period

Retail volumes decline on a YoY basis – Retail volumes in September 2024 represented a decline of ~9%, constrained to an extent by seasonal factors (*Shraddh* period). The retails also represented ~10% decline on a sequential basis.

Wholesale volumes grow at a healthy pace – In September 2024, domestic wholesale volumes, represented a healthy YoY growth of ~14% at 1.94 million units, with Original Equipment Manufacturers (OEM) building up inventory ahead of the festive season. The wholesales over the past few months have remained supported by an improvement in rural demand.

Electric two-wheeler (e2W) sales report a moderate growth sequentially – E2W volumes increased to ~90,221 units in September, a marginal 2% growth on a sequential basis. The volumes had ramped up to ~107,331 units in July, aided by pre-buying, with prospective buyers anticipating the phase out of the Electric Mobility Promotion Scheme (EMPS).

Export volumes grow on a low base – Monthly export volumes reported a strong growth of 23% on a low base; despite the healthy growth, the volumes continue to be constrained to an extent by shortage of forex and inflationary pressures in key 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 rural demand. 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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Thank You!