

INDIAN TWO-WHEELER INDUSTRY

Industry volumes rise towards alltime high levels

DECEMBER 2024



What's Inside...





ICRA's Outlook on the Sector









Channel Check and Financing Environment Update





Trend in Macroeconomic Environment



Domestic Sales Trends





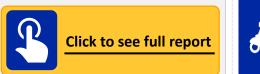


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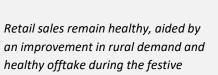








ICRA estimates two-wheeler (2W) volumes to grow by 11-14% YoY in FY2025. ICRA has a forecast of wholesale volume growth for the industry of 11-14% in FY2025 (~12% growth in April-November FY2025), led by steady replacement demand and an improvement in rural demand, driven by healthy monsoon precipitation.



season. ICRA estimates 2W domestic volumes

ICRA estimates 2W domestic volumes to register a growth of 11-14% YoY in FY2025.

The OEMs are expected to maintain strong credit profiles, despite investments planned for EV platforms.



Retails remained healthy during the past few months. Retail sales remained at healthy levels over the past few months, registering a moderate to healthy YoY growth on a monthly basis, aided by improvement in rural demand and festive cheer.



ICRA's survey of 2W dealers indicates that most dealers anticipate moderate to healthy growth in volumes for the fiscal and are optimistic of a sustained recovery in demand, going forward. Despite the same, high vehicle prices remain a constraining factor for material growth.



PM e-Drive scheme to aid electric vehicle (EV) adoption; under the scheme, the Government has again adopted a multi-pronged strategy to promote the development of an EV ecosystem. Even as the quantum of incentives available per vehicle is being gradually lowered, the continuation of incentives is a timely boost for the EV industry. The same, coupled with softening in battery prices seen over the recent past, is likely to support EV adoption, going forward.



Outlook for exports gradually improving. Shortage of forex and inflationary pressures in key African markets impacted 2W affordability and constrained exports in FY2024. Aided by a low base and a recovery in demand across most markets (barring Africa), export volumes are recovering gradually.



Name	Designation	Email	Contact Number
Shamsher Dewan	Group Head	shamsherd@icraindia.com	0124-4545 328
K. Srikumar	Co-Group Head	ksrikumar@icraindia.com	044-4596 4318
Rohan Gupta	Sector Head	rohan.kanwar@icraindia.com	0124-4545 808
Akshit Goel	Analyst	akshit.goel@icraindia.com	0124-4545 857





Name	Designation	Email	Contact Number
L. Shivakumar	Chief Business Officer	<u>shivakumar@icraindia.com</u>	022-61693304
Neha Agarwal	Head – Research Sales	neha.agarwal@icraindia.com	022-61693338
Rohit Gupta	Head Business Development – Infrastructure Sector	rohitg@icraindia.com	0124-4545340
Vivek Bhalla	Head Business Development – Financial Sector	vivek.bhalla@icraindia.com	022-61693372
Vinita Baid	Head Business Development – Corporate Sector – West & East	vinita.baid@icraindia.com	033-71501131
Shivam Bhatia	Head Business Development – Corporate Sector – North & South	shivam.bhatia@icraindia.com	0124-4545803
Naznin Prodhani	Head – Group Corporate Communications & Media Relations	<u>communications@icraindia.com</u>	0124-4545860







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