



INDIAN TWO-WHEELER INDUSTRY

**Retail volumes decline 6.5% YoY in
July**

AUGUST 2025





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Wholesale volumes grew by 9.2% in July 2025; retail volumes declined by 6.5% on a YoY basis.

ICRA estimates 2W domestic volumes to register a growth of 6-9% YoY in FY2026; anticipated cut in GST rates expected to support demand.



Wholesale volumes grow at a moderate pace – In July 2025, domestic wholesale volumes grew by 9.2% on a YoY basis to 1.5 million units, with OEMs maintaining healthy dispatches ahead of the festive season; the volumes remained flattish on a sequential basis.



Retail volumes moderated on a YoY basis – Retail volumes in July 2025 declined by 6.5% on YoY basis, while offtake remained impacted by tepid urban demand and curtailed rural footfall on account of heavy rains. Retails are, however, expected to grow at a healthy pace during the upcoming festive season.



Electric two-wheelers (e2W) moderate on a sequential basis – e2W volumes at 1,02,900 units in July 2025, too represented a modest 2.3% decline on a sequential basis. e2w penetration in the 2W segment remains in the range of 6-7% on a monthly basis.



Export volumes continue to grow at a healthy pace – Monthly export volumes reported a healthy growth of 32.3% YoY. The industry volumes have grown at a healthy pace over the past few months, on a relatively curtailed base.



ICRA estimates two-wheeler (2W) volumes to grow by 6-9% YoY in FY2026 – ICRA forecasts a 6-9% wholesale volume growth for the industry in FY2026, aided by steady replacement demand, expected recovery in urban demand and healthy rural incomes (driven by expectations of a normal monsoon). An anticipated reduction in GST rates in the near term could provide an additional stimulus.



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