

INDIAN TWO-WHEELER INDUSTRY

Wholesale volumes grew by 7.2% on
YoY basis in August

SEPTEMBER 2025





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Wholesale volumes grew by 7.2% in August 2025; retail volumes grew by 2.2% on a YoY basis, curtailed by excess rains and GST rate cut-linked purchase deferment.

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



Wholesale volumes grow at a moderate pace – In August 2025, domestic wholesale volumes grew by 7.2% on a YoY basis to 1.8 million units, with OEMs maintaining healthy dispatches ahead of the festive season. The volumes remained healthy on a sequential basis.



Retail volumes grow by a marginal 2.2% on a YoY basis – Retail volumes in August 2025 represent growth of 2.2% on a YoY basis with offtake remaining curtailed by excess rains and GST rate cut-linked purchase deferment. Retails are, however, expected to grow at a healthy pace during the upcoming festive season.



Electric two-wheelers (e2W) grow at moderate pace – e2W retail volumes at 1,04,725 units in August 2025, too represented a modest 1.8% growth 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 27.5% 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). A reduction in GST rates is expected to aid affordability and could provide an additional stimulus.



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