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INDIAN TWO-WHEELER INDUSTRY

Retail sales rose by 6.5% YoY in September aided by traction in the last week of the month

OCTOBER 2025

Highlights

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Wholesale volumes grew by 6.0% YoY and retail volumes by 6.5% YoY in September 2025.

Despite a marginal 0.7% YoY wholesale volume growth in H1 FY2026, ICRA estimates 2W domestic volumes to register a growth of 6-9% in FY2026; the recent cut in GST rates is likely to aid an improved demand environment for two-wheelers in H2 FY2026.

Wholesale volumes grow at a moderate pace – In September 2025, domestic wholesale volumes grew by 6.0% on a YoY basis to 2.0 million units, with Original Equipment Manufacturers (OEM) maintaining healthy dispatches in anticipation of improved demand during the festive season.

Retail volumes grow on a YoY basis – Retail volumes in September 2025 recorded 6.5% YoY growth; after muted sales for the first three weeks of the month (with customers deferring purchases ahead of the reduction in GST rates), retails improved materially during the latter part of the month, supported by GST rate cuts, festive season tailwinds, and pent-up demand.

Electric two-wheelers (e2W) volumes remain steady – E2W volumes stood at 1,04,621 units in September 2025, reflecting a marginal sequential decline of 0.1%. Monthly e2W penetration within the overall two-wheeler segment continues to hover in the 6–7% range.

Export volumes continue to grow – Monthly export volumes reported a growth of 15.3% YoY. The industry export volumes have grown at a robust 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 improved replacement demand (after the GST rate cuts), expected recovery in urban demand and healthy rural incomes (driven by a normal monsoon).

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Thank You!