

# INDIAN TWO-WHEELER INDUSTRY

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Retail volumes grow on year-end  
offers

JANUARY 2026

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*Wholesale volumes grew by 38.0% in December 2025; retail volumes increased by 9.5% on a YoY basis.*

*ICRA estimates 2W domestic volumes to register a growth of 6–9% YoY in FY2026; the recent cut in GST rates is likely to continue to support demand.*



**Wholesale volumes record a robust growth** – Domestic wholesale volumes grew by 38.0% *year-over-year* (YoY) in December 2025, reaching 1.5 million units, and recorded a 4.8% increase during 9M FY2026 (April–December). Favourable conditions for demand growth were created due to Goods and Service Tax (GST) 2.0, improving affordability and boosting household liquidity. Monetary easing via successive repo rate cuts also aided demand.



**Retail demand lifted by year-end offers** – Retail sales increased by 9.5% YoY in December 2025, aided by seasonal discounts and heightened pre-buying activity before anticipated price hikes in January. Many customers expedited purchases to avoid higher costs, enabling dealers to convert pending enquiries and spillover bookings promptly.



**Electric two-wheelers (e2W) sales gained traction** – e2W retail volumes reached 97,744 units in December 2025, a substantial increase of 32.8% YoY. Monthly e2W penetration within the overall two-wheeler segment remained stable at 6–7% in 9M FY2026, reflecting gradual adoption.



**Export volumes continue to grow in double digits** – Monthly export volumes reported a growth of 25.2% YoY. Industry volumes recorded a 24.1% increase during 9M FY2026 (April–December), supported by a relatively low base in the corresponding period of FY2025.



**ICRA estimates 2W volume growth of 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 consumption and healthy rural incomes (driven by a normal monsoon).



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