



Indian Two-Wheeler Industry Trends & Outlook

March, 2019

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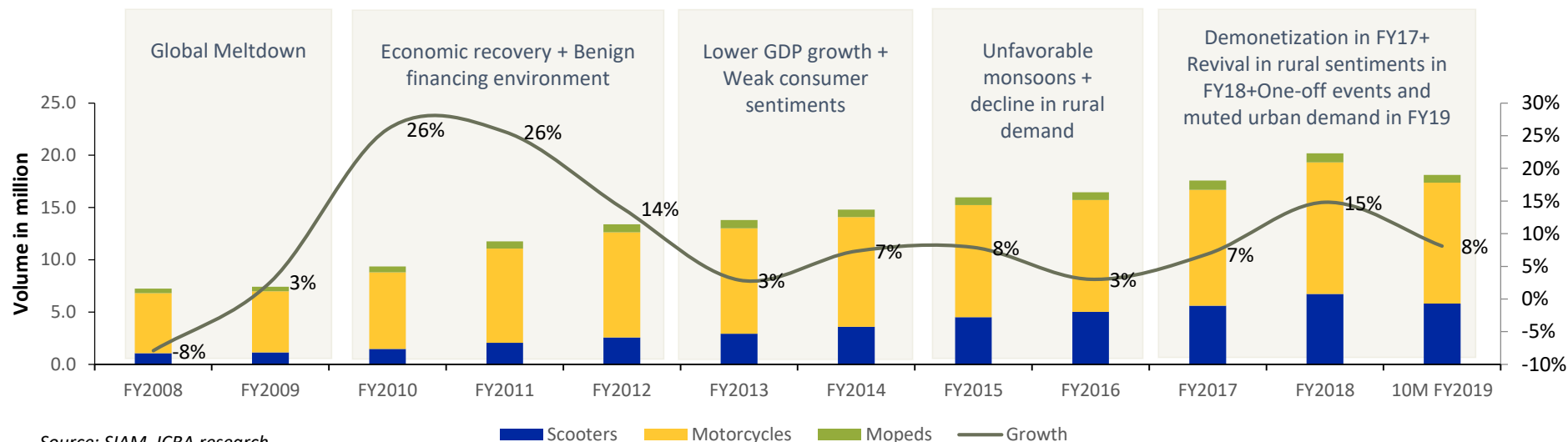
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1. Overview

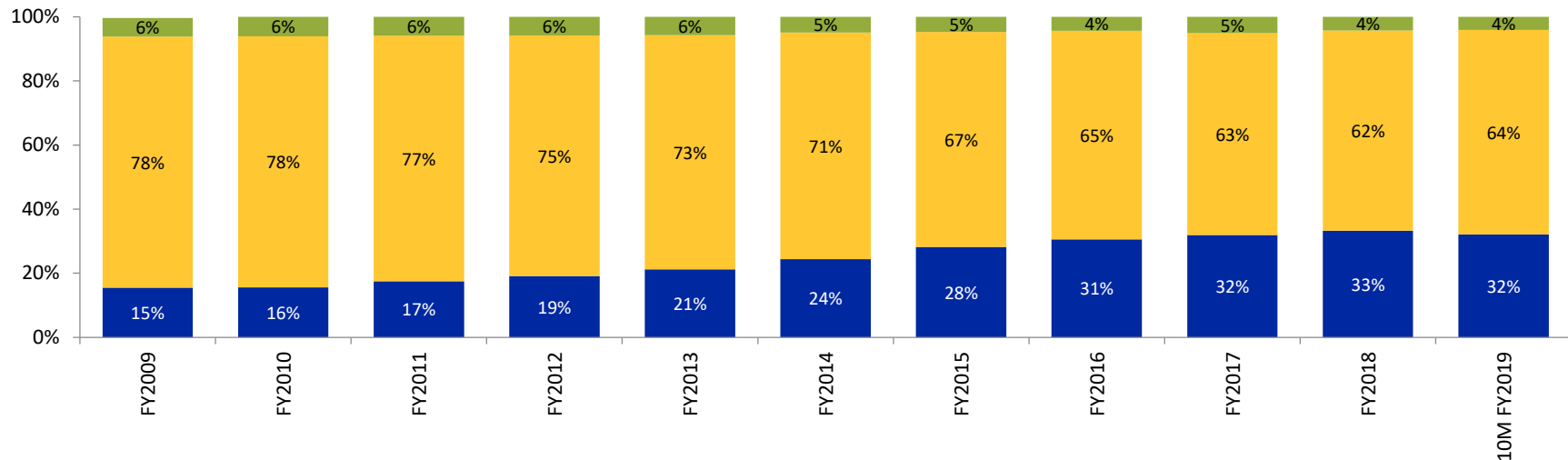
*Domestic two wheeler sales growth at 8.1% in 10M FY2019;
Wholesale demand plummets due to high inventory post a
subdued festive season*

Two-wheeler volumes grow moderates to single digit in 10M FY2019



- Festivities failed to bring cheer to two-wheeler industry in FY2019; the growth rate moderated to 8.1% YoY in 10M FY2019
- Motorcycles, supported by favorable rural sentiments (during Q1) and product specific competitive pricing actions by select OEMs have been the key growth drivers in 10M FY2019.

Motorcycles likely to close FY19 with a gain in market share, a first in the last ten years



Source: SIAM, ICRA research

■ Scooters ■ Motorcycles ■ Mopeds

- Over the past ten years scooter share had been growing in the two-wheeler pie, however, a reversal of trend is being observed in the current fiscal. The motorcycle segment gained ~200 bps share in 10M FY2019 in two wheeler pie whereas it had been steadily losing share to scooters over the past ten years.
- Motorcycles grew at a faster pace than scooters in 10M FY2019 driven by the strong volume growth of entry level motorcycles. In scooters, the traditional 110cc scooter growth faltered but the newly launched, feature rich 125cc scooters drove the growth of the segment. Mopeds also staged a comeback this year with 3.6% growth in 10m FY2019 whereas in FY2018 they had de-grown by 3.5%.

Contact Details

Subrata Ray

Senior Group Vice President



subrata@icraindia.com



022 - 6114 3408

Anupama Arora

Vice President



Anupama@icraindia.com



0124 - 4545 303

Ritu Goswami

Senior Analyst



ritu.goswami@icraindia.com



0124 – 4545 826

Bishwarup Pakrasi

Analyst



bishwarup.Pakrasi@icraindia.com



0124 – 4545 346



L. Shivakumar

Executive Vice-President



shivakumar@icraindia.com



022- 6114 3406



Jayanta Chatterjee

Executive Vice-President



jayantac@icraindia.com



080 – 4332 6401



Naznin Prodhani

Head Media & Communications



communications@icraindia.com



0124 – 4545 860

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