



# INDIAN AUTOMOBILE INDUSTRY – TWO-WHEELERS

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Monthly Update

NOVEMBER 2022



# What's Inside...

## 1 Trend In Domestic 2W Sales



## 2 Monthly Trend in Domestic and Export Sales



## 3 Segment-wise Monthly Sales Trend



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*Festive season brings cheer to the 2W industry; retail offtake in October 2022 was even higher than the pre-pandemic levels*



**Domestic 2W wholesale volumes remained steady in October** – At 1.55 million units, the wholesale volumes remained steady and were ~1% higher on a YoY basis, even as they represented a decline on a sequential basis; the wholesales in September were aided by a build-up of dealer inventory for the festive season, anticipating healthy demand after two consecutive pandemic-impacted years.



**Healthy retail offtake during festive season** – Retail sales posted a robust 51% YoY growth in October 2022, aided by improved customer sentiments during the festive season; the retail sales were even higher than the pre-pandemic level (5.8% higher than October 2019), aided by a high number of auspicious days in the month.



**High-speed e2W sales also ramp-up** – The retail sales of high-speed (>25km/hr) e2Ws ramped up from a low of 51.6k+ units in September to 76.7k+ units in October 2022; healthy demand and easing chip availability issues supported growth; OLA Electric maintained its position as the highest-selling e2w OEM.



**Exports outlook continues to be weak** – Export volumes saw a fourth consecutive month of YoY decline in October 2022; shortage of the US dollars and inflationary pressures in key African markets have impacted 2W affordability; the OEMs expect export demand to remain impacted for at least one to two quarters.



**Sustenance of improved demand seen during the festive season remains key** – ICRA is cautiously optimistic of demand recovery in FY2023, amid multiple headwinds (elevated ownership cost, persisting inflationary pressures and increase in financing rates). As erratic monsoons and floods in many regions have impacted kharif yields, rural demand may remain dampened. Dealer check, however, indicates that sentiments have started improving at the rural level; the sustenance of the same remains key for the industry. A low base is expected to aid a modest (7-9%) YoY growth for the industry in FY2023.



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## Analytical Contact Details



**Shamsher Dewan**

*Group Head*

**K. Srikumar**

*Co-Group Head*

**Rohan Gupta**

*Sector Head*



shamsherd@icraindia.com

ksrikumar@icraindia.com

rohan.kanwar@icraindia.com



0124 – 4545 328

044 – 4596 4318

0124 – 4545 808





ICRA

## Business Development/Media Contact Details



**L. Shivakumar**

*Executive Vice-President*

**Jayanta Chatterjee**

*Executive Vice-President*

**Naznin Prodhani**

*Head Media & Communications*



shivakumar@icraindia.com

jayantac@icraindia.com

communications@icraindia.com



022 – 6114 3406

080 – 4332 6401

0124 – 4545 860





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