

Rural buying puts sales of two-wheelers on fast track

Volumes jump 21% to 1.27 mn units in April

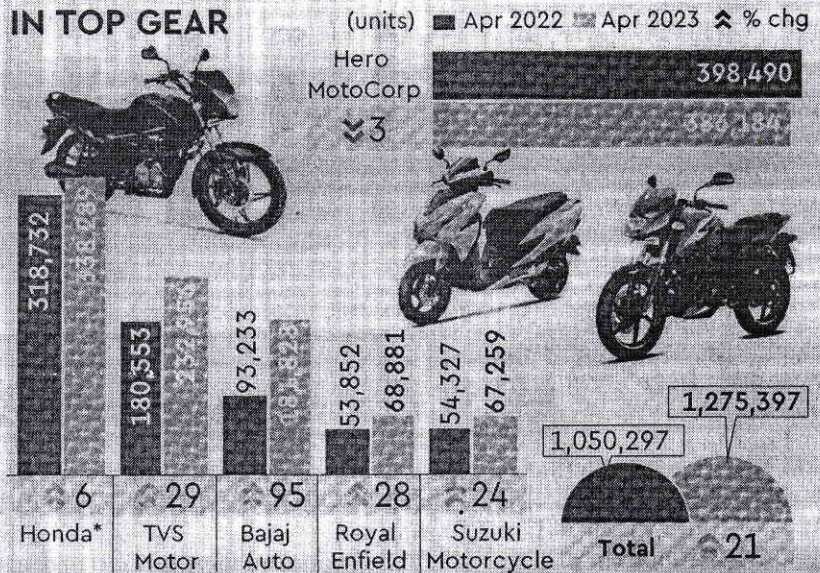
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TWO-WHEELER SALES JUMPED 21% year-on-year (y-o-y) in April to 1.27 million units as the sector continued to report an upward trend in demand backed by growth in rural buying. Bottom three of the top five companies led the growth as the top two entities struggled to grow in double digits.

Hero MotoCorp, the country's largest two-wheeler company, reported a 3% decline in y-o-y volumes to 386,184 units. The Delhi-based company's decline in volumes was an exception to an otherwise robust growth reported by others. It expects the momentum to build-up in the coming months on a combination of factors, including a slew of new product launches, a healthy growth in country's GDP and positive consumer sentiments.

TVS Motor Company's volumes grew 29% y-o-y to 232,956 units. The Chennai-based company said it was able to register sales of just 6,227 units of the electric scooter — iQube

IN TOP GEAR



*Honda Motorcycle and Scooter; Domestic sales India

Source: Companies

— against the consistent volumes of more than 10,000 units a month. The drop was blamed on the changeover of new battery norms and supply chain challenges.

While sales volume of Honda Motorcycle and Scooter India (HMSI), the country's second-largest two-wheeler maker, grew 6% y-o-y in April to 338,289 units, Bajaj Auto's sales almost doubled. The Pune-based company's volumes grew 95% y-o-y to 181,828 units.

"Bajaj said that Indian motorcycle demand is recovering, led by mid- and premium bikes, while entry-level bikes remain weak. We believe two-wheelers are poised for strong growth from an abnormal cyclical trough and expect industry growth at an 18% CAGR," said a Jefferies report.

Eicher Motors-owned Royal Enfield recorded a 28% y-o-y jump in volumes to 68,881 units while volumes of Suzuki Motorcycles grew 24% to 67,259 units.