

Electric 2W registrations see 39% y-o-y growth

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Despite the reduction in FAME II subsidy in 2023, the electric two-wheeler registrations saw a 39 per cent year-on-year (y-o-y) growth in the country.

According to Vahan, a website that registers vehicles in India, 7,81,263 electric two-wheelers were registered in the country in 2023 up till November as compared to 5,62,832 registered during the same period in 2022.

The electric two-wheeler vehicle registrations which saw a dip in 46,062 registrations after the slashing of the subsidy, saw an uptick in November. 91,106 vehicles were registered in June.

"During the last 2 years,

E2W sales have expanded from 13k units on average per month to 60k units. E2W penetration has risen from 1 per cent in 2021 to 5 per cent YTD CY23. We believe the electric two-wheeler industry is in a nascent stage as companies are still tweaking their offerings to fix issues. In a growing market, the initial breakthrough is no barometer of eventual success. Traditional wisdom suggests long-term winners can be created by ticking all the right boxes: Technology & R&D + Right product right pricing + Sales and service network + Resale value + Local vendor base," a JM Financial report on the automobile sector stated.

'DEC TO REMEMBER'

While the registrations have



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seen an uptick and sales are expected to cross a record 10 lakh by year-end, the overall volumes continue to remain impacted.

"Despite the improvement, the volumes remain impacted to an extent by material price hikes taken

by E2W OEMs to help offset the impact of the reduction in FAME II subsidy from June 1, 2023," Rohan Kanwar Gupta, Vice President & Sector Head - Corporate Ratings, ICRA Limited.

Businessline had earlier reported that the investment

in the electric two-wheeler industry saw a dip. The industry received an investment of \$427 million in 2023. The sector in 2022 received \$796 million in investments, \$494 million in 2021, and \$169 million in 2020, according to data sourced from Tracxn.

ATTRACTIVE OFFERS

To increase electric two-wheeler sales, companies are offering better financing options.

"We are launching new products, and offering attractive financing options to the customers.

"We are also taking several steps to increase sales of our electric 2-wheelers by expanding our dealership network," said Nemin Vora, CEO of Odyssey Electric Vehicles Pvt Ltd.