

After initial frenzy, electric two-wheeler market consolidating

Just 7 companies accounted for 86% of all electric two-wheeler registrations in September

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After the initial euphoria, the electric two-wheeler market is going through a quiet consolidation. An analysis of VAHAN data shows that just seven companies last month accounted for 86 per cent of registrations of electric two-wheelers (dominated by e-scooters).

These seven — out of 80 registered companies — were incumbent internal combustion engine (ICE) two-wheeler players Bajaj Auto and TVS, and electric two-wheeler makers Ola Electric, Hero Electric, Ather Energy, Okinawa and Ampere. Also, only these seven were able to record 1,000 registrations or more in September. Half the companies registered as electric two-wheeler makers were not able to reach



THE BIG GETS BIGGER

Half of the 80 electric two-wheeler companies failed to get double-digit registrations in September



12%

The combined share of Bajaj and TVS in the total registered electric two-wheelers in Sept; they had under 9% in June

Source: Analysis of Vahan data

double digits. As many as 11 had no vehicle registrations under their name. Many companies that import Chinese electric two-wheelers struggled to sell

even a few vehicles.

By comparison, the share of top-seven companies in total registrations in June was 81 per cent, and nine com-

panies had recorded over 1,000 registrations. In September, two electric vehicle (EV) companies — Pure and Benling — dropped off the list.

What is also interesting is that the incumbent ICE two-wheeler companies — TVS and Bajaj Auto — are pushing on the pedal hard and making their presence felt. In September, the two together registered 6,488 electric two-wheelers, accounting for over 12 per cent of the total. While Bajaj Auto entered the top-seven (at seventh) for the first time this month, TVS had joined the list much earlier. During a longer span — from January to the first few days of October — the two have together registered 38,433 electric two-wheelers, which is just under 10 per cent of all registrations in this segment.

It is becoming increasingly clear that the incumbent companies, with their strong dealer and distribution network, will give a tough competition to new electric EV players. Turn to Page 4 ▶



Electric 2Ws...

Even Hero MotoCorp (which is an investor in Ather Energy) is expected to launch its own electric scooter in the market.

These trends, analysts say, will lead to further consolidation in the industry.

“The real battle is in the motorcycle space, which accounts for 60-70 per cent of the two-wheeler market. That’s what we are concentrating on. We haven’t seen anything from the new players except statements,” said an executive of a two-wheeler company who did not wish to be named.

How much impact have electric two-wheelers had on converting ICE customers to electric? The registration data from January to September (and the first two days of October) show that 388,506 electric two-wheelers were registered during this period. These were 3.8 per cent of all two-wheeler registrations (ICE and electric) – close to the “inflection point” of 4-5 per cent which electric auto companies talk about. After this point, they expect to see faster conversion.

