

Bajaj Auto warns motorcycle growth could slow to 7-9% in FY27 due to rising fuel prices, metal inflation

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Bajaj Auto has cautioned that India's motorcycle industry could slow sharply in FY27, with growth moderating to around 7-9 per cent from over 20 per cent levels seen in recent quarters. The company is betting on premium motorcycles, exports and electric vehicles (EVs) to sustain momentum.

"It's a considerable slowdown," Executive Director Rakesh Sharma said, pointing to rising fuel prices, metal inflation, supply-chain disruptions and uncertainty triggered by tensions in West Asia. He added that softer sentiment was already visible in April retail trends and could continue in the coming



months. Yet, even as the broader motorcycle market slows, Bajaj Auto believes the premium end of the industry continues to outperform.

Sharma highlighted the 150cc-plus motorcycle category — home to the Pulsar franchise — as the company's biggest growth driver. He said Bajaj had gained market share across regions in h2FY26 through multiple product upgrades and refreshes introduced since October, with the 150cc-plus segment growing faster than

the industry in major States.

BROADER SHIFT

The comments reinforce a broader shift underway in India's two-wheeler market, where growth is increasingly being driven by premium motorcycles, while demand in entry-level commuter motorcycles remains under pressure. That transition is also helping Bajaj protect margins despite rising commodity costs.

Sharma said the company expects input-cost inflation of around 3-5 per cent due to higher metal prices, although some of the pressure has been offset through price hikes taken from April and favourable currency movements. A weaker rupee nearing ₹95 against the dollar was partly offsetting raw-mater-

ial inflation through stronger export realisations, he said.

Exports emerged as one of Bajaj Auto's biggest growth engines during FY26, with overseas shipments crossing the six lakh unit mark for the second consecutive quarter. The export business is now operating at around two lakh units a month.

Sharma indicated that the export recovery is now becoming geographically diversified rather than dependent on a single market. While Nigeria, historically Bajaj Auto's largest export market, remains at roughly half of its FY22 peak levels, the company still reported strong export growth due to sharp expansion in Latin America and recovery across other emerging markets.