

# B'desh crisis may be a speed bump for Indian 2W firms

## Bajaj Auto, Hero MotoCorp, TVS collectively hold over 50% of market share in strife-torn country

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The ongoing protests in Bangladesh have sent shockwaves through the country's two-wheeler industry, where Indian companies such as Bajaj Auto, Hero MotoCorp, and TVS Motor Company collectively hold over 50 per cent of the market share.

Industry sources estimate that the Bangladeshi two-wheeler market is expected to fall to between 380,000 and 400,000 units, representing a decline of 15-20 per cent compared to last year.

While this may represent a relatively

small portion of global sales for these Indian giants, the current crisis could impact their export numbers for the financial year 2024-25. This comes after 2023 saw Bangladesh's two-wheeler sales drop to a five-year low of 461,805 units.

"Everything is shut in that country. This will seriously dent sales operations and the functioning of our completely knocked-down units there. Sales are expected to fall below 400,000 units this year," said a source familiar with the situation.

Demand in Bangladesh has plum-



meted since protests erupted in June against a Supreme Court order reinstating a 30 per cent quota for descendants

of freedom fighters in government jobs. The two-wheeler market was already witnessing a downturn due to economic

**461,805** Total sales of 2Ws in Bangladesh in 2023

Market share of auto firms in Bangladesh (as of 2023)

Bajaj Auto  
28%

Hero Motocorp  
17%

TVS  
10%

Sources: Industry, media reports

slowdowns, inflationary pressures, and higher import duties, which have led to increased prices.

According to a report by The Daily Star, quoting Uttara Motors, the sole distributor and manufacturer of Bajaj Auto in Bangladesh, the company held a 28 per cent market share in 2023 with 127,928 units, compared to 217,180 units in 2022.

An industry source noted that Hero's market share is around 17 per cent, while TVS Motor's share is roughly 10 per cent.

"We are facing some challenges in Bangladesh. Although it is a small market in terms of overall volume, we believe that things will stabilise in a couple of months. These are strong markets for TVS," said K N Radhakrishnan, chief executive officer of TVS Motor,

during an analyst call. TVS Auto Bangladesh reportedly sold around 60,596 units last year.

For Hero, Bangladesh accounts for 10-20 per cent of its sales outside India. A major factor contributing to the high price of motorcycles in the country is an import duty of 45 per cent. Rising inflation, coupled with this duty, has impacted sales.

According to the Bangladesh Bureau of Statistics, the country's inflation rate was 9.72 per cent in June and 9.9 per cent in May. Protests related to the anti-quota movement have resulted in over 440 deaths in three weeks.

Indian companies also hold a considerable share of the car, bus, and three-wheeler markets in Bangladesh.