

At 2.59 lakh, 2-w exports hit 5-month high in May

KEY DRIVERS. Moderation in oil prices, stability in overall environment boost numbers

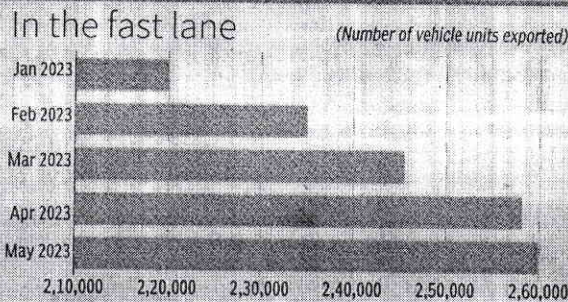
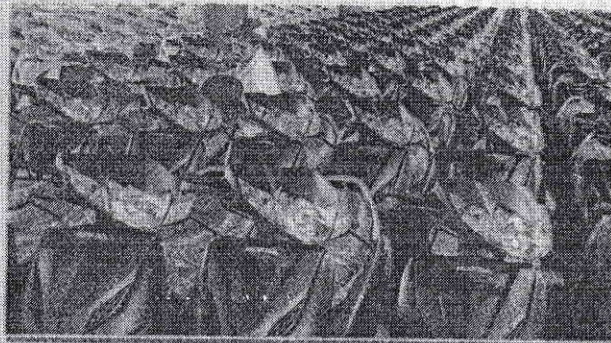
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In an indication of consumption picking up in parts of the global economy, owing to moderation in oil prices and stability in the overall environment, two-wheeler exports, at 2,59,945 units, hit a five-month high in May.

According to the Society of Indian Automobile Manufacturers (SIAM), a total of 40,687 scooters, 2,19,204 motorcycles and 54 mopeds were exported from India last month.

BOUNCING BACK

Exports of two-wheelers had dipped in the second half of 2022 owing to the geopolitical crisis and inflationary pressures in South Asian and African markets over shortage of foreign exchange. Exports were also impacted due to the ban on motorcycle taxis in Nigeria — a key market for Indian two-wheeler OEMs. *businessline* had earlier reported that exports were at a two-



Source: SIAM

year low in October 2022 at 2,87,319 vehicle units.

“Columbia, Nigeria, The Philippines, Mexico, Sri Lanka, Bangladesh, Egypt and Nepal are among the major export destinations for two-wheelers from India. The uptick in export de-

mand seen over the last couple of months of fiscal 2024 is backed by a slight recovery and stabilisation of the environment in few of these regions, as well as slight moderation in oil prices. Recovery appears fragile and sustainability of

the same is yet to be established,” said Anuj Sethi, Senior Director, Crisil Ratings Ltd.

PRODUCTION UP

Two-wheeler companies have increased production year-on-year — Bajaj Auto manufactured 9,073 units last month compared with 2,507 units in May 2022; Honda Motorcycle & Scooter India made 2,14,271 units (1,76,252) while Hero MotoCorp saw a drop in production at 30,086 units (31,246), according to SIAM data.

Further, a normalcy in exports with the easing of geopolitical scenario was anticipated from March. Overall two-wheeler sales volumes are also expected to rise 8 per cent y-o-y this fiscal to around 20.6 million units, driven by 11 per cent growth in the domestic markets (81 per cent of overall volumes in FY23). Analysts said exports could dampen for the second year in a row if high inflationary trends continue in key markets.