

Bajaj eyes S-E Asia to take e-scooter space by storm

Thailand expects 30% of ICE vehicles to be electric by 2030

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Bajaj Auto is planning to tap the big opportunity to sell its electric scooters in the south east Asian market given that countries in the region have announced ambitious targets for conversion of ICE vehicles to electric.

Bajaj's presence in this market in ICE vehicles has been limited till now because the region is essentially a step-through two-wheeler and scooter market. Bajaj does not have products in scooters and step throughs powered by ICE.

Motorcycles, on the other hand, which are Bajaj's mainstay, enjoy only a niche play with limited sales.

Rakesh Sharma, executive director of Bajaj Auto, said, "The transition to electric vehicles is a big opportunity, particularly in countries like Thailand, Vietnam and Indonesia, driven by the intent of the government there. For Bajaj, this will open up a very large market when it unfolds as we are not able to participate in it due to our form factor constraints in ICE vehicles. With these constraints getting removed, we can take aim at this region with an electric vehicle-centred approach."

Sharma said governments have already set up high targets for the conversion of ICE to electric vehicles. For instance, Thailand hopes that 30 per cent of ICE vehicles will be electric by 2030. Under a new policy announced in March, the Thai government aims to have 1 million electric vehicles on

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Executive Director, Bajaj Auto



the road by 2025 and 15 million in another 10 years.

Vietnam's target is a 100 per cent electric fleet by 2030.

According to Sharma, the south-east Asian market is the third largest after India and China. About 10 million ICE two-wheelers are sold per annum in south east Asia. The Indian market is around double the size. However, motorcycles account for only 5-6 of the total market, unlike India where they account for around 60 per cent of the overall two wheeler market.

Bajaj refuses to let this market fact — it sells bikes in the niche category between 100-500 cc — constrain its goals.

The only place where Bajaj is a market leader is in the Philippines where mobikes are also used as commercial taxis. Bajaj exports a substantial 10,000 units every month to the Philippines.

In other nations, Bajaj's strategy has been to establish a beachhead; it has done this in Malaysia, and is doing it in Thailand.

"We will build the route to market and the brand in a gradual way. We have already established manufacturing in Malaysia through our partners Modenas, which allows us to avail ourselves of intra-Asean trade benefits," said Sharma.

He added that while there is no Asean-level free trade agreement (FTA) with India, there are bilateral agreements and these may remain

as the region moves towards the Regional Comprehensive Economic Partnership or RECP.

