

# Exports may skid 25% in 2023: Yamaha India boss

## Chairman says domestic sales likely to grow

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Yamaha Motor India's domestic sales are expected to rise by about 17 per cent to 650,000 units in 2023 due to high demand for its premium vehicles, said Chairman Eishin Chihana.

However, the company's exports are likely to fall by 20-25 per cent in 2023. This is because of high inflation and interest rates and weak local currencies in key markets in the Subcontinent, Africa, and South America, he added.

"Last year, Yamaha exported 300,000 units, which was the highest ever. This year, we were again targeting to export 300,000 units. However, like many Indian companies, we are seeing difficulties in other countries (export markets)," Chihana, who took charge at the India unit in 2021, told *Business Standard*.

Exports constituted around 35 per cent of the two-wheeler maker's

total sales in calendar year 2022.

It ships models such as Saluto, YD125, MT15, and counts Brazil, Bangladesh, and Nepal among its top export destinations.

"We expect export volumes to be heavily down this year," he noted, adding that the export situation remains the same for other two-wheeler companies.

The domestic sales target for 2023 would have been higher than the 650,000 it has pencilled in if the semiconductor chip supply was better, he added.

Chihana said the company is more affected than others due to the chip shortage as it mostly produces premium products that require more chips than others.

He said the chip supply is expected to normalise for all models by 2025. "By the end of this year, the situation regarding semiconductor chip supply is expected to be more or less okay. However, for certain models, there will be some constraints, and some more

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### Domestic sales (in units)

Year	Sales (in units)	% chg YoY
2019	623,000	NA
2020	505,000	-18.9
2021	522,000	3.4
2022	557,000	6.7

### Exports (in units)

Year	Sales (in units)	% chg YoY
2019	297,000	NA
2020	180,000	-39.4
2021	268,000	48.9
2022	300,000	11.9

Source: Company

% chg YoY

NA

-18.9

3.4

6.7

% chg YoY

NA

-39.4

48.9

11.9

“THE CURRENT ELECTRIC SCOOTER CUSTOMER IS NOT GOING TO BE OUR CUSTOMER”

EISHIN CHIHANA  
Chairman,  
Yamaha Motor India

time will be needed for the supply to be normalised," he said. The Japanese company's domestic sales rose 6.7 per cent to 557,000 units in 2022 and exports increased by 11 per cent to 300,000 units in 2022

(see chart). It has an annual production capacity of 1.5 million units in India and it is currently utilising 60 per cent of the same, which is adequate, the executive said.

The company would be able to

utilise 100 per cent capacity in India by 2028, and would start planning capacity expansion in 2026, he added.

The company has no plans to establish a new plant in 2028.

"We have a lot of vacant space adjoining our plant in Chennai. So, we can increase capacity whenever required," he said.

The company currently has 723 dealerships, out of which 191 are Blue Square showrooms for premium products. Chihana said Yamaha plans to convert all dealerships into Blue Square showrooms by 2025.

He said the company will launch its first electric scooter in 2-3 years. "The current electric scooter customer is not going to be our customer," he said.

The electric scooter customer in India is buying the electric vehicle as the driving cost is cheaper with electricity than petrol.

Yamaha wants to attract customers that are looking for sporty or stylish vehicles and have an "emotional connection" to its brand, he added.