

India's 2-W exports to resume positive growth from H2 FY24

SMOOTH DRIVE. Lower freight rates, better container availability likely to aid shipments, says TVS Motor

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TVS Motor Company has said two-wheeler exports from India will likely enter a positive growth lane from the second half of this fiscal.

Falling freight rates and better availability of containers are likely to support exports. The leading two- and three-wheeler manufacturer also sees the country emerging as a hub for EV exports, like in the ICE segment.

"While it's taking longer than expected, we are circumspect yet optimistic that by the second half of this fiscal, the industry will find its way back to a growth trajectory," said the company's FY23 annual report.

FALLING EXPORTS

Export of two-wheelers from India reported an 18 per cent decline at 3.65 million units in 2022-23 as the industry was affected by liquidity



SUPPORTING GROWTH. TVS Motor's expansion plans for LATAM (Latin America), ASEAN (Southeast Asia) and Middle East regions are expected to add momentum to its export volumes

crunch, currency devaluations and country-specific local socio-political and economic disturbances. The first

two months of this fiscal also saw a decline in overall two-wheeler exports to 5.18 lakh units from 7.53 lakh units in

the same period a year ago. However, scooter exports reported an increase to 90,222 units from 63,240 units, while bike exports fell to 4.28 lakh units from 6.9 lakh units.

The African market is expected to perform better in 2023-24 recovering from the global slowdown and with the moderation of inflation. The company's expansion plans for LATAM (Latin America), ASEAN (Southeast Asia) and the Middle East regions will add further momentum to its export volumes.

EV HUB

Discussing the electric vehicle sector, the company said consistent policy and regulatory interventions paved the way for standardised quality and enhanced safety levels for consumers.

The enhanced safety, localisation and quality norms have a threefold impact on the EV industry. First, they improve the quality of

products received by the customers. Second, they aid the formalisation of the sector, ensuring quality players. Thirdly, product quality is on par with global levels, enabling the industry to export overseas.

"Like in ICE two-wheelers, India will emerge as a major hub for electric two-wheeler exports in addition to the large domestic market," it added.

FY23 PERFORMANCE

TVS Motor saw a good acceleration in sales of its electric scooter iQube in Q4 of FY23 with one in five electric two-wheelers retailed being iQube. Its sales stood at about 91,000 units in FY23.

FAME II and PLI support from the Central government and specific support policies of various State governments accelerated the pace of EV adoption in FY23 and drove the volumes to grow 3x during the period, the company said.