

'Two-wheeler OEMs set to expand EU footprint'

Our Bureau
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The India-EU free trade agreement (FTA) will unlock opportunities for domestic two-wheeler manufacturers to expand their footprint in the European market, said leading manufacturers on Wednesday.

Market leader Hero MotoCorp stated the agreement is expected to have long-term implications for manufacturing-led sectors, including the two-wheeler industry.

GLOBAL VALUE CHAINS

"The conclusion of the trade agreement heralds more than a commercial milestone: it's a strategic partnership shaping resilient economies. This agreement will unlock opportunities for the two-wheeler industry to expand their footprint and support 'Make in India' products in the European markets. This trade pact will strengthen regulatory co-operation, encourage R&D, innovation and deeper integration into global value chains," Harshavardhan Chitale, Chief Executive Officer, Hero MotoCorp, said.

Similarly, TVS Motor Company said agreements of this scale don't just reduce tariffs — they transform business environments, strengthen supply-chain resilience and open pathways for innovation-led Indian manufacturers to compete on the global stage.

"As a global two-wheeler company, with the TVS and Norton brands, we're focused on identifying and pursuing the opportunities it will create for Indian industry in Europe and beyond," Sudarshan Venu, Chairman, TVS Motor Company, said.

According to BNP Paribas India, mid-sized motorcycle maker Royal Enfield could benefit from the FTA, with a



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cut in EU import tariffs.

Europe, Middle East and Africa (EMEA), one of the major markets for Royal Enfield, contributed 26 per cent of its exports but only three per cent of total volumes in FY25, Kumar Rakesh, Analyst-IT & Auto at BNP Paribas, said.

India's two-wheeler exports to the EU were just about one per cent of the country's total two-wheeler exports, he added.

The India-EU FTA could also benefit the auto component industry, as lower duties may encourage European manufacturers to shift more production and sourcing to India.

This would help Indian suppliers become part of global motorcycle supply chains.

SOURCING PARTNER

"As global OEMs (original equipment manufacturers) and suppliers look to build resilient supply chains, a well-balanced and pragmatic FTA can position India as a reliable manufacturing and sourcing partner for Europe, while strengthening our long-standing industrial partnership," Vikrampati Singhania, President, Automotive Component Manufacturers' Association of India, said.