

India Two Wheeler Market By Vehicle Type (Scooter/Moped, Motorcycles), By Propulsion Type (ICE, Electric), By Region, Competition, Forecast & Opportunities, 2020-2030F

<https://marketpublishers.com/r/I6830A9A5DFBEN.html>

Date: January 2025

Pages: 85

Price: US\$ 3,500.00 (Single User License)

ID: I6830A9A5DFBEN

Abstracts

India Two Wheeler market was valued at USD 18.24 Billion in 2024 and is expected to reach USD 33.20 Billion by 2030 with a CAGR of 10.50% during the forecast period. The Indian two-wheeler market is a dynamic and integral part of the country's automotive sector, catering to diverse consumer needs and preferences across urban and rural landscapes. Characterized by a vast population and varying economic conditions, the market thrives on affordability, convenience, and efficiency. Two-wheelers serve as a primary mode of transportation for millions, offering mobility solutions that are essential for daily commutes and commercial activities alike.

The market's resilience is underscored by its adaptability to fluctuating economic conditions and consumer behaviors. Manufacturers continually innovate to meet evolving consumer expectations, integrating advanced technologies to enhance vehicle performance, safety, and comfort. From traditional motorcycles to modern electric scooters, the market embraces a wide array of product offerings that cater to different demographic segments and usage patterns.

India's cultural diversity influences consumer preferences, shaping the demand for two-wheelers across various states and regions. While urban centers witness a preference for stylish and feature-rich models suited for city commuting, rural areas prioritize durability, fuel efficiency, and ease of maintenance. This diversity in demand fosters a competitive landscape where manufacturers strive to strike a balance between innovation and affordability.

The regulatory environment also plays a crucial role in shaping the market dynamics. Government policies and incentives aimed at promoting cleaner and more sustainable transportation solutions have spurred interest in electric two-wheelers in recent years. This shift towards greener alternatives aligns with global trends towards environmental conservation and sustainable development.

The aftermarket and service sectors constitute significant pillars of the two-wheeler market ecosystem. Robust networks of dealerships and service centers ensure widespread accessibility to maintenance and repair services, thereby enhancing customer satisfaction and brand loyalty. This support infrastructure is vital in sustaining long-term relationships with consumers and fostering a positive market reputation.

The Indian two-wheeler market is poised for continued growth driven by urbanization, rising disposable incomes, and expanding middle-class aspirations. As manufacturers navigate market dynamics and consumer preferences, the emphasis remains on innovation, affordability, and sustainability. This holistic approach not only fuels market expansion but also contributes to the socio-economic development by providing reliable and efficient transportation solutions to millions across the country. For instance, In December 2024, India's two-wheeler market exhibited varied performance among manufacturers. Royal Enfield reported a 19% year-on-year increase in domestic sales, reaching 67,891 units compared to 57,291 units in December 2023. Exports nearly doubled, growing 90% to 11,575 units from 6,096 units last year. Suzuki Motorcycle India also saw a 14% rise in domestic sales, totaling 78,834 units, up from 69,025 units in December 2023. Exports surged by 72% to 17,970 units. Conversely, Bajaj Auto's domestic sales declined by 19%, with 128,335 units sold compared to 158,370 units last year. However, exports grew by 15% to 143,838 units from 124,631 units. Hero MotoCorp experienced a 22% drop in domestic sales, selling 294,152 units in 2024 compared to 377,842 units in 2023. Exports increased by 90.9% to 30,754 units from 16,110 units last year. TVS Motor reported a marginal growth of 0.04% in domestic sales, reaching 215,075 units against 214,988 units last year. Scooter sales grew by 30%, and electric vehicle sales rose by 79% to 20,171 units. Exports increased by 29% to 96,927 units. For the calendar year 2024, Bajaj Auto reported sales of 2,354,034 units, an 11.1% increase from 2,118,694 units in 2023. Royal Enfield's sales rose by 4.26% to 857,378 units from 822,295 units in 2023. Suzuki Motorcycle India achieved a 16.4% growth, with total sales climbing to 1,042,060 units from 895,382 units in 2023. TVS Motor Company logged a 10.07% increase, reaching 2,095,939 units compared to 1,904,160 units in 2023. Hero MotoCorp's sales rose by 6.15% to 5,657,446 units in 2024 from 5,329,568 units in 2023. According to the Society of Indian Automobile Manufacturers (SIAM), total two-wheeler sales from January to November 2024 hit

18,437,528 units, a 16.23% increase compared to the same period in 2023. This growth is attributed to strong recovery in domestic demand, driven by improved consumer sentiment, healthy monsoon, and festival season momentum.

Key Market Drivers

Urbanization and Population Growth

India's rapid urbanization and population growth are pivotal drivers of the two-wheeler market. With more people moving to urban areas for better job opportunities, the demand for affordable and efficient personal transportation has surged. Two-wheelers are ideal for navigating congested city streets and provide a convenient mode of transport for daily commutes. This urban shift has significantly boosted the sales of scooters and motorcycles, making them a preferred choice for the growing urban middle class. For instance, India is undergoing a rapid urban transformation, with projections indicating that by 2036, 600 million people will reside in urban areas, accounting for 40% of the population. This urban expansion is expected to contribute 75% of the nation's GDP by 2031. To manage this growth, the World Bank emphasizes the need for a comprehensive approach, including improved urban planning, enhanced municipal financing, and strengthened governance. Key recommendations include developing robust urban infrastructure, ensuring sustainable service delivery, and fostering economic opportunities to accommodate the increasing urban population.

Government Initiatives and Policies

Government initiatives and policies aimed at promoting electric vehicles (EVs) and reducing carbon emissions have significantly impacted the two-wheeler market. Subsidies, tax benefits, and incentives for EV manufacturers and buyers have encouraged the production and purchase of electric two-wheelers. For instance, the FAME (Faster Adoption and Manufacturing of Hybrid and Electric Vehicles) scheme has played a crucial role in accelerating the adoption of EVs in India.

Technological Advancements

Technological advancements in the two-wheeler industry, including the development of more efficient engines, enhanced safety features, and improved battery technology for electric vehicles, have driven market growth. Innovations such as connected vehicles, smart helmets, and IoT integration have made two-wheelers more appealing to tech-savvy consumers. These advancements not only enhance the riding experience but

also contribute to better fuel efficiency and lower maintenance costs. In December 2023, Simple Energy, the Bengaluru-based EV startup, unveiled the Dot One electric scooter. The Dot One boasts a fixed battery setup, providing a certified range of 151km and an impressive 160km in IDC conditions.

Key Market Challenges

Regulatory Changes and Emission Standards

One of the most significant challenges faced by the Indian two-wheeler market is the continuously evolving regulatory landscape. The Indian government, concerned about rising air pollution levels, has been implementing stringent emission standards. Here are the key aspects of this challenge. India follows the Bharat Stage emission standards, equivalent to Euro standards in Europe, to regulate vehicle emissions. The government regularly updates these standards to reduce air pollution. Manufacturers must invest in research and development to meet these standards, which can lead to increased production costs. The transition to BS-VI emissions standards in April 2020 was a significant challenge for two-wheeler manufacturers. Complying with these stricter standards required substantial investments in new technology, refining fuel quality, and redesigning engine components. The higher costs of manufacturing compliant vehicles were partially passed on to consumers, affecting pricing and demand. Frequent changes in regulations and the lack of long-term policy consistency can disrupt the industry's planning and investment. Uncertainty about future emission standards can lead to challenges in product development and investment decisions. While the push for cleaner mobility is positive, the rapid changes in electric vehicle policies and subsidies can be a challenge. Manufacturers need to adapt quickly to remain competitive in the electric two-wheeler segment.

Economic Factors and Market Volatility

Economic factors, both domestic and international, can significantly impact the Indian two-wheeler market. Several aspects of this challenge include Economic recessions or downturns, as experienced during the COVID-19 pandemic, can lead to reduced consumer spending and uncertainty. In such periods, consumers often delay or reconsider discretionary purchases like two-wheelers. Fuel prices have a direct influence on the choice between two-wheelers and four-wheelers. When fuel prices rise, there is a greater demand for fuel-efficient two-wheelers. Conversely, lower fuel prices may favor four-wheelers, especially in rural areas. Exchange rate fluctuations can impact the cost of imported components and materials for two-wheeler manufacturing.

This can affect pricing and profit margins, particularly for brands relying on international suppliers. Access to affordable financing plays a critical role in two-wheeler sales. Changes in lending rates, policies, and accessibility can impact consumer demand.

Safety Concerns and Road Infrastructure

Safety concerns and the state of road infrastructure are significant challenges for the Indian two-wheeler market. Several issues contribute to this challenge: India has one of the highest rates of road accidents globally, with a disproportionately high number of two-wheeler riders involved. Safety concerns can deter potential buyers from opting for two-wheelers. Many Indian roads, especially in rural areas, are in poor condition. This affects ride comfort, vehicle maintenance, and safety. Better road infrastructure is needed to enhance the riding experience and encourage two-wheeler use. Despite regulations mandating helmets and protective gear, compliance is often low, especially in rural areas. An effort to promote safety gear and its usage is essential. While there have been improvements in vehicle safety standards, there is room for further advancements, including features like airbags for two-wheelers. These can significantly reduce injury risks but also add to production costs.

Key Market Trends

Electrification of Two-Wheelers

The trend towards electrification is rapidly gaining momentum in the Indian two-wheeler market. With environmental concerns and government incentives driving the change, manufacturers are increasingly focusing on electric scooters and motorcycles. The shift is evident in the growing number of new electric models being launched and the rising consumer interest in sustainable mobility solutions.

Increasing Investments and Mergers

The Indian two-wheeler market is witnessing a surge in investments and mergers. Both domestic and international investors are keen on tapping into this lucrative market. Startups and established players alike are securing substantial funding to expand their operations and enhance their product offerings. This influx of capital is driving innovation and competition within the industry.

Expansion of Urban Mobility Solutions

Urban mobility solutions, such as shared mobility and subscription-based services, are gaining traction. These solutions cater to the needs of urban dwellers who seek flexible and cost-effective transportation options. Companies are exploring various models, including bike-sharing and monthly subscriptions, to provide accessible and affordable mobility solutions in densely populated cities. In March 2024, Ather Energy revealed plans to launch a new scooter aimed at family-oriented customers, emphasizing its practicality and affordability. Named the Ather Rizta, this scooter has been teased several times and is set to debut on April 6, 2024, during the Ather Community Day event.

Segmental Insights

Vehicle Type Insights

In 2024, motorcycles dominated the Indian two-wheeler market, reflecting their widespread popularity and versatility across diverse consumer segments. Their dominance is driven by their adaptability for various terrains, long-distance travel capabilities, and affordability, making them a preferred choice for both urban commuters and rural populations. Motorcycles offer higher fuel efficiency, robust performance, and greater durability, which are essential attributes for buyers in a price-sensitive market like India. They cater to a broad demographic range, from young professionals and students seeking stylish, high-performance models to rural consumers prioritizing reliability and ease of maintenance. The variety in engine capacities and designs allows consumers to choose motorcycles tailored to their specific needs, from economical models for daily commuting to premium variants for enthusiasts seeking superior features.

The growth of the motorcycle segment is supported by increasing disposable incomes and a cultural preference for owning vehicles that provide both status and utility. Motorcycles are also favored for their better power output and ability to handle diverse road conditions, ranging from well-paved urban streets to rugged rural paths. The segment's versatility extends to its suitability for solo riders and families, with many models accommodating pillion passengers comfortably. This adaptability has further solidified motorcycles as the dominant choice for millions of Indians.

The popularity of motorcycles is also linked to their practicality in navigating India's challenging traffic conditions and limited parking spaces. Their agility and speed make them ideal for commuters looking to save time and avoid congestion. The segment continues to thrive due to its appeal to younger demographics, who are increasingly

drawn to the performance, styling, and innovative features offered by modern motorcycles. Advanced features such as digital displays, connectivity options, and improved safety mechanisms like ABS have elevated the motorcycle experience, attracting a tech-savvy audience.

Government policies encouraging fuel-efficient and lower-emission vehicles have prompted the development of motorcycles with higher mileage and environmentally friendly technologies. While scooters and mopeds have their niche in urban areas due to their convenience, the dominance of motorcycles in the broader market is undeniable. Their ability to fulfill diverse needs, coupled with strong demand in both rural and urban regions, secures their leading position in India's two-wheeler market in 2024.

Regional Insights

In 2024, North India emerges as the dominant region in the two-wheeler market, driven by its large population, high demand for personal mobility, and diverse consumer base. The region's urban centers, combined with extensive rural areas, create a broad spectrum of consumers, each with distinct transportation needs. Urban areas see high demand for two-wheelers as they offer a practical solution to traffic congestion and limited parking spaces. In contrast, rural areas rely on two-wheelers for their affordability, ease of maintenance, and ability to navigate unpaved roads. This dual demand makes North India a critical market for two-wheeler manufacturers.

The region's preference for two-wheelers is influenced by its unique infrastructure and transportation dynamics. Cities such as Delhi and Chandigarh face significant traffic challenges, and two-wheelers provide a time-saving alternative to public transport. In rural areas, limited public transportation options make two-wheelers essential for commuting and daily tasks. The versatility of two-wheelers in addressing these varied needs has solidified their position as the preferred mode of transport in North India.

The rise in disposable incomes and growing aspirations among consumers have further fueled the demand for two-wheelers in North India. Buyers in the region are increasingly upgrading to models with better features, performance, and styling. Young professionals, students, and middle-income households form a significant portion of the consumer base, driving demand for vehicles that combine functionality with aesthetic appeal. This trend is particularly evident in urban and semi-urban areas, where the youth population is a key driver of the market.

Cultural factors also play a role in the dominance of North India in the two-wheeler segment. The perception of two-wheelers as a symbol of independence and mobility resonates strongly with consumers. Festivals and wedding seasons contribute significantly to sales, as two-wheelers are often purchased as gifts or milestones. The region's connectivity to nearby states and inter-city travel needs also make two-wheelers a practical choice for short-to-medium distance journeys.

Key Market Players

Hero MotoCorp Ltd.

Honda Motorcycle & Scooter India Pvt. Ltd.

India Yamaha Motor Pvt. Ltd.

Eicher Motors Ltd.

Bajaj Auto Ltd.

TVS Motor Company Limited

Suzuki Motorcycle India Private Limited ('SMIPL')

Piaggio Vehicles Pvt. Ltd.

Hero Electric Vehicles Pvt. Ltd.

Okinawa Autotech Internationall Private Limited

Report Scope:

In this report, the India Two Wheeler Market has been segmented into the following categories, in addition to the industry trends which have also been detailed below:

India Two Wheeler Market, By Vehicle Type:

Scooter/Moped

Motorcycles

India Two Wheeler Market, By Propulsion Type:

ICE

Electric

India Two Wheeler Market, By Region:

North

East

West

South

Competitive Landscape

Company Profiles: Detailed analysis of the major companies presents in the India Two Wheeler Market.

Available Customizations:

India Two Wheeler Market report with the given market data, TechSci Research offers customizations according to a company's specific needs. The following customization options are available for the report:

Company Information

Detailed analysis and profiling of additional market players (up to five).

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