

India is now world's biggest 2-wheeler mkt

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New Delhi: India has overtaken China to emerge as the world's biggest market for two-wheelers.

A total of 17.7 million two-wheelers were sold in India last year — that's over 48,000 units every day.

Neighbouring China trailed with 16.8 million units sold, according to officials from industry body Society of Indian Automobile Manufacturers (Siam) as well as

data sourced from China Association of Automobile Manufacturers.

Besides rising income and growing infrastructure in rural areas, one big reason for the spurt in sales has been women commuters who like the ease of zipping in and out of chaotic city traffic on their gearless scooters. For Honda, which leads the scooter market, the share of women is at 35%.

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China largest mkt for electric 2-wheelers

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The market in China has been on a decline over the past few years, perhaps due to the fast-paced growth in car sales there as well as the curbs on petrol two-wheelers in top cities. “The Chinese market has been coming down from the highs of 25 million or so, reached a few years back,” says Suga-to Sen, Deputy DG of Siam.

However, China has become the largest market for electric two-wheelers.

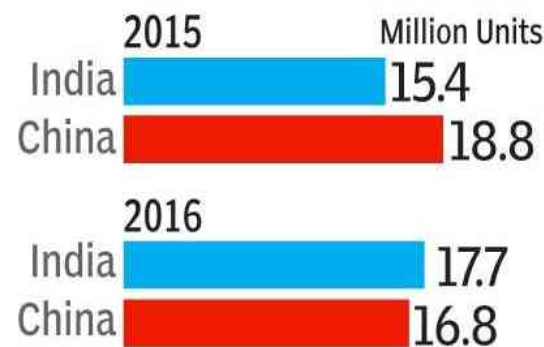
Indonesia is holding steady as the third-largest two-wheeler market with annual sales estimated at 6 million units. Here too, volumes have slipped from 6.5 million units sold in 2015.

So, what clicks for India when it comes to the two-wheeler market?

“The need for mobility is very large in India, and we are one of the fastest developing economies in the world,” says YS Guleria, Senior VP (Sales & Marketing)

INDIA SHINES AS DRAGON SLIPS

Biggest 2-wheeler markets



Figures exclude electric two-wheelers
Source: Siam/China Association of Automobile Manufacturers/Bloomberg

at Honda Motorcycle and Scooter India (HMSI), the country’s second-biggest two-wheeler company.

Easier finance options, newer and more fuel-efficient models, rising incomes have only added to the push even as new business models, such as e-commerce, also help purchases. A top official at Hero MotoCorp, the country’s biggest company, said that the growth of infrastructure in smaller towns and

non-urban areas is helping demand.

“The massive government spending in rural programmes and large road-construction projects is leading to a pick-up in volumes in smaller towns and villages,” said the official, who did not wish to be identified. In metros and larger cities, sales are also being aided by the choked infrastructure. “People are buying two-wheelers for shorter commute and errands, even if they have a car. It is difficult to move around in congested cities, and even more difficult to get a space to park,” the official from Hero says.

Industry officials say that the market will continue to grow over the next few years. “We will grow at around 9-11% over the coming years,” Honda’s Guleria says. The growth is not only being led by commuter vehicles, but even larger and expensive two-wheelers are being sold in good numbers. Royal Enfield – which sells

bikes comfortably priced upwards of Rs 1 lakh -- has seen sales grow by over 30% last year, and is now preparing to boost its production capacity.

“We have seen a massive demand in the past few years and are ramping up capacity,” says Siddhartha Lal, CEO of Eicher Motors that sells the bikes. “India is a market where sales are only going to go up, and there is enormous potential here.”

Premium bike makers (those selling products priced upwards of Rs 5 lakh) such as UK’s Triumph Motorcycles and American Harley Davidson have also been upping their product portfolio and exposure in India. Triumph, which entered India in 2013, has already sold over 4,000 bikes and now has portfolio of over 17 vehicles.

“Triumph is the fastest-growing luxury motorcycle brand in India, and we hope to maintain the pace further,” Vimal Sumbly, MD of Triumph in India, says.