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Economy

## Two-wheeler sales expected to rise around 6 pc during 2022-23: Report

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Photo Courtesy: [pexels.com](https://www.pexels.com)

New Delhi [India] August 9 (ANI): After three consecutive years of decline, two-wheeler manufacturers are likely to see a sales growth of 6-6.5 per cent in the current financial year 2022-23 in line with the growing demand for personal mobility, a rating agency said in a report.

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The recent surge in the demand for electric two-wheelers will support the overall sales of two-wheelers in FY23, rating agency CareEdge said.

“The cost of an entry-level commuter Internal Combustion Engine (ICE) two-wheeler ranges between Rs 50,000 and Rs 65,000, while a high-speed EV two-wheeler costs anywhere between Rs 90,000 and Rs 100,000, restraining a large-scale shift towards EVs,” the rating agency said.

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The improvement in the rural demand, supported by a normal monsoon is likely to drive healthy growth for domestic two-wheeler companies in 2022-23.



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The recovery in demand could have been higher, but supply-chain disruptions and high inflation hurt consumer sentiment, Overall margins for manufacturers are expected to decline by 50-70 basis points, it said.

Higher commodity costs and transition to BS-VI emission norms (announced in April 2020) led to a slowing down of demand in the past three fiscals.

Two-wheelers sales fell by a compounded annual growth rate (CAGR) of 10 per cent from 2018-19 to 2021-22 as lower rural demand amid Covid-19 induced economic slowdown, restricted mobility, and higher vehicle and fuel costs.

“Though the Covid-led restrictions eased in FY22, two-wheeler sales fell 2.65 per cent year-on-year to 179 lakh units on account of extended work-from-home trend and slower ramp-up in the rural economy,” the report said.

It said there was some respite in sales during Q2 2021-22 and Q3 2021-22 as the pandemic waned and the festive season brought some cheer but from December 2021, commodity inflation again slowed demand. (ANI)

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