

Quote by Nikhil Dhaka, Vice President, Primus Partners

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## 2W domestic wholesales decline continues in December

*Automobile dealers have pointed out that the retail sales of passenger vehicles and two-wheelers in January have been muted*

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The last decline in domestic sales for two-wheelers was registered in July 2023 with 12,82,054 units. | Photo Credit: H VIBHU

**Read on:** <https://www.thehindubusinessline.com/companies/2w-domestic-wholesales-decline-continues-in-december/article69101266.ece>

### Article Content:

Domestic wholesale sales of [two-wheelers](#) have declined for two consecutive months for the first time in over a year, the pace of decline accelerating in December indicating a potential slowdown in the segment, demand hit by stress in the rural economy as well as decreased incentives by companies and dealers.

According to data from the Society of Indian Automobile Manufacturers (SIAM) domestic two-wheeler sales in December declined 8.8 per cent year-on-year, with 11,05,565 units sold compared to 12,12,238 units sold during the same period in 2023. In November, a 1.1 per cent y-o-y dip was registered in domestic sales with 16,04,749 two-wheeler units as compared to 16,23,399 units in November 2023.

The last decline in domestic sales for two-wheelers was registered in July 2023 with 12,82,054 units.

The Federation of Automobile Dealers (FADA) also flagged that the two-wheeler retail sales in December dropped 17.6 per cent y-o-y and 54.2 per cent month-on-month. The dealers had

stated that the sales were impacted due to low cash flows in the rural economy, delay in harvest payments, decrease in incentives offered by companies and heightened electric vehicle competition.

“Dealers cited low cash flow and poor market sentiment—exacerbated by delayed crop payments, halted government disbursements and typical year-end factors—as the main reasons. Supply challenges for popular models and the growing push toward EVs further weighed on volumes. Many dealers also mentioned that heightened discounts and limited financing options failed to offset weak demand,” said C S Vigneshwar, President of the FADA. However, experts have pointed out that in CY2025 uptick in two-wheeler sales is anticipated.

“This dip is part of a typical seasonal trend. During the October festival season, consumer behaviour tends to follow a two-way demand pattern: some delay their purchases to align with festive celebrations, while others expedite them to take advantage of the season. Toward the year’s end, we often see customers postponing decisions, waiting for the launch of newer models in the new year. Despite these fluctuations, the market is projected to grow 15 per cent y-o-y, fuelled by the rising purchasing power within this customer segment. Additionally, in 2025, electric two-wheeler penetration is expected to increase 25-30 per cent, further driving growth and adoption in the mobility sector,” said Nikhil Dhaka, Vice President, Primus Partners.

### **January sales**

Automobile dealers have pointed out that the retail sales of passenger vehicles and two-wheelers in January have been muted.

“We saw sombre demand for vehicles during the start of January. However, we are expecting the second half of the month to pick up in sales for both passenger vehicles and two-wheelers across rural and urban markets,” said an automobile dealer.