

Sales of Three-Wheeler Vehicle Market to Register 3.29% CAGR Growth by 2031 - TMR Study

Three-Wheeler Vehicle Market to reach the valuation of US\$ 14.7 Bn by 2031, growing need for reducing weight of three-wheeler vehicle boosts global industry

ALBANY , NY, US, December 20, 2021 /EINPresswire.com/ -- According to the report, the global [three-wheeler vehicle market](#) is projected to reach US\$ 14.7 Bn by 2031, expanding at a CAGR of 3.29% during the forecast period.

Numerous companies in eCommerce, pharma, textiles, and retail, FMCG, and

other utility segments, such as dairy, poultry, and gas, are preferring three wheelers as a last mile connectivity solution, as they offer excellent maneuverability at an affordable price.

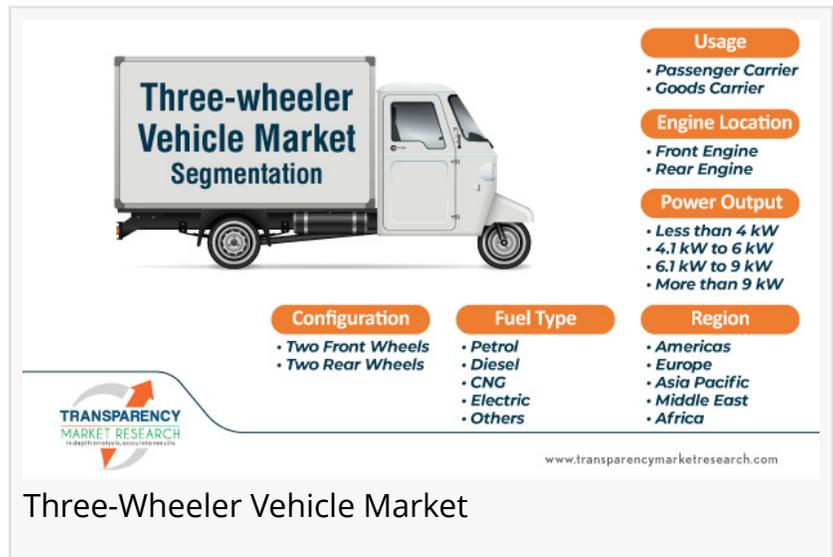
Furthermore, several players are highly keen to convert their last-mile delivery fleet to electric due to their added benefits.

The increase in the adoption of [electric vehicles](#) is further boosting the demand for electric three-wheelers as well. According to Mahesh Babu, MD & CEO, Mahindra Electric, demand for last-mile delivery is significantly high across various countries, especially during the pandemic. Several leading players are trying to bring the upfront cost of electric three-wheelers by effective integration of advance technology, design, and workflow, which is further driving the preference for three-wheeler as a last mile connectivity solution. For instance, in 2021, Amazon partnered with Mahindra Electric to deploy EVs in its delivery fleet. Amazon India had announced that its fleet of delivery vehicles would include 10,000 electric vehicles by 2025.

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Expansion of Three-wheeler Vehicle Market



Globally, the emission of fuels from conventional vehicles leads to a high amount of carbon dioxide in the air, and subsequently to air pollution and global warming. Thus, automotive manufacturing companies and governments are investing considerably in the development and promotion of electrification of vehicles. Moreover, several governments and organizations have launched various subsidy schemes and initiatives to encourage buyers to prefer electric propulsion typed three-wheelers over traditional vehicles. For instance, the Government of India launched the 'Faster Adoption and Manufacturing of Hybrid and Electric Vehicles' (FAME) in order to promote the development of environment-friendly vehicles. The first phase of the plan had offered subsidies for the purchase of eight electric three-wheelers, L5 category¹, ranging from INR 25,000 to INR 61,000 (USD 334 – USD 813).

However, in the second FAME phase, a fixed subsidy of INR 10,000 per kilowatt-hour was subsidized to support five lakh electric three-wheelers. Such initiatives are projected to boost the adoption of e-three-wheelers, which, in turn, is estimated to facilitate the shift from fossil fuel-based mobility to electric mobility and subsequently, propel the market during the forecast period.

Segmentation of Three-wheeler Vehicle Market

In terms of configuration, the two rear wheels segment accounted for a prominent share of the global three-wheeler vehicle market in 2020. Majority of three-wheeler vehicle models available in the market are based on the two rear wheel configuration, because the center of mass moves considerably during deceleration and hard braking in case of two front wheel configuration. This disadvantage of two front wheel configuration has fueled the adoption of two rear wheel configuration; it also provides more cargo space.

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Based on engine location, the rear engine segment dominated the global three-wheeler vehicle market, in terms of value, in 2020. Most three-wheeler vehicle models available in the market have their engine fitted at the rear end, as this enables a spacious cabin design. Moreover, three-wheelers have rear wheels as the driving wheels, as they carry the maximum amount of load. Hence, fitting the engine at the rear end of the vehicle reduces the powertrain costs and complexity. This has contributed toward the high share of the rear engine segment in the global three-wheeler vehicle market.

Front engine is used in limited number of vehicles such as the trikes or tuk-tuks or cargo vehicles with longer wheel bases. The limited application of front engine in three-wheelers contributes to the relatively minor share held by the front engine segment of the global three-wheeler vehicle market.

Electric passenger and load carrier vehicles are expensive, as compared to vehicles that run on

conventional fuel, owing to the high cost of batteries. Thus, preference of lower middle class in developing nations is still inclined toward vehicles that run on conventional fuels. The popularity of electric three-wheelers is comparatively low due to presence of vehicles with relatively lower configuration and most speed and power lovers have high preference for gasoline-powered three-wheelers. The cost of the battery of electric three-wheelers is significantly high; hence, the replacement of battery is likely to further boost the operating cost of the vehicle.

Moreover, electric three-wheelers produce lower torque as compared to that generated by gasoline powered vehicles. Consequently, the adoption of electric variants is significantly low in hilly areas.

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Regional Analysis of Three-wheeler Vehicle Market

Based on region, the global three-wheeler vehicle market has been segregated into Americas, Europe, Asia Pacific, Middle East, and Africa. Asia Pacific accounted for a major share of the global three-wheeler vehicle market. Countries, such as India are likely to dominate the domestic and export business segment during the forecast period. The market in China followed by other countries in Asia, such as Thailand and Malaysia, is projected to expand significantly during the forecast period. This can be attributed to the increasing population and need for mode of transportation in rural and semi-urban areas of the region. Several established players based in India are focusing on the manufacture three-wheelers complying with BS (Bharat Stage) VI norms, which would be implemented by 2020 in order to keep particulate matter, nitrogen oxides, and sulfur emission in check. Germany-based Bosch AG is developing LEFIS (Lean Electronic Fuel Injection Systems) for three-wheelers in order to meet BS VI norms.

Three-wheeler Vehicle Market Players

Prominent players operating in the global three-wheeler vehicles market include Bajaj Auto Limited., Mahindra & Mahindra Ltd., Piaggio & C. SpA, Scooters India Ltd., TVS Motor Company, Atul Auto Limited., Lohia Auto Industries, Terra Motors Corporation, Force Motors, and Mahindra Electric Mobility Limited.

Drivers of Three-wheeler Vehicle Market

Consistent rise in carbon emission globally due to combustion of fuel has been one of the foremost concerns for governments and environmentalists for the last few years. This drives the demand for electric three-wheeler across the globe, thereby boosting the market. Furthermore, owing to increase in fuel prices globally, growing pollution and traffic congestion, especially in urban areas, have further increased the acceptance of electric three-wheelers across the globe.

Growing environmental concerns toward the increase in GHG emissions from gasoline- or diesel-powered three-wheelers have led to the emergence of their eco-friendly alternatives, including e-rickshaws. Additionally, the introduction of various government initiatives and awareness programs to promote the adoption of electric three-wheelers is also augmenting the market. Furthermore, rising modernization of several commercial infrastructure, such as shopping malls, educational institutes, metro rail, etc., has boosted the utilization of electric three-wheelers to provide local conveyance to customers.

Use of three wheelers for public transport for short to medium distances anywhere in urban areas is a prominent factor boosting the three-wheeler vehicle market across the globe. Such a cost-effective mode of transportation is in demand for countries with moderate logistic infrastructure and population that has low disposable income.

Moreover, rise in volume of goods being transported has fueled the adoption of compact three wheelers as a transportation medium where trucks and other four wheelers cannot access the destination or are not cost-effective. Moreover, an increase in oil prices is expected to provide advantage to small vehicles such as three-wheelers in the long term.

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