

AUTO
DATA

UAE: USED CAR MARKET REPORT

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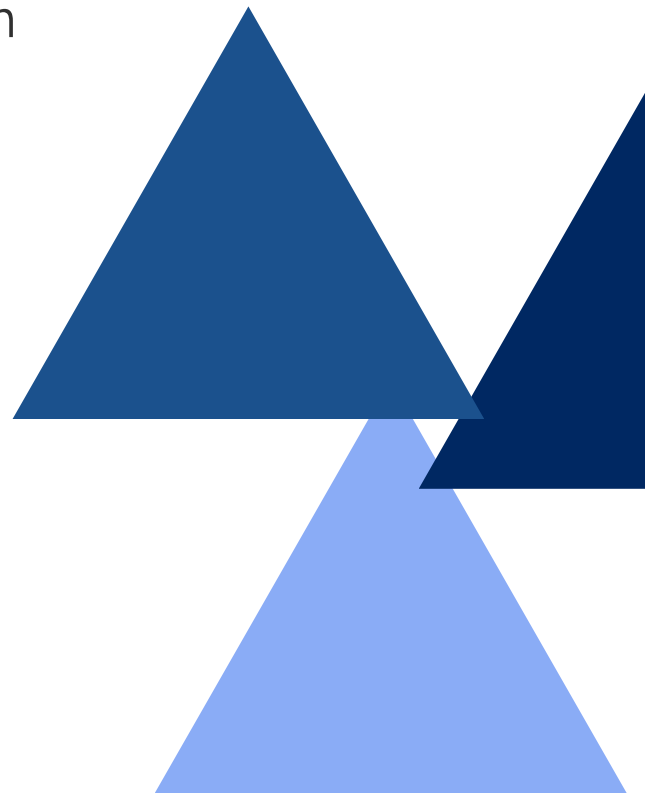
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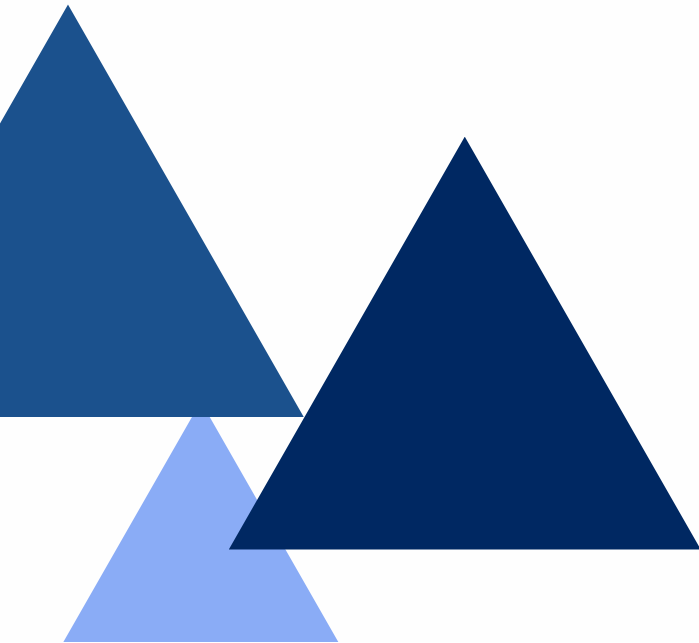
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GENERAL OVERVIEW

In the first quarter of 2023, the UAE's economy expanded by 3.8% compared to the same period in 2022.

According to an estimate from the Federal Centre for Competitiveness and Statistics, the GDP reached AED 418.3 billion. Notably, the sectors of transport and storage showed the highest growth, with an increase of 11% in Q1, while the construction sector **expanded by 9%**.

However, it's important to note that both headline and **non-oil GDP growth have decelerated** when compared to the first quarter of 2022, which was anticipated due to slower global economic growth and rising interest rates. Additionally, the reduction in oil production will further impede economic growth in the second half of the year. Looking ahead to the full year 2023, we anticipate that **non-oil growth will decrease from 7.2% in 2022 to 5%**, and headline GDP growth will slow from **7.9% in the previous year to 2.9%**.

(UAE: Expanding Economy and Policy Initiatives Boost Labour Participation | Swiss Re, 2023)

In the UAE, inflation projections have been adjusted slightly, with expectations of **3.1% for 2023, down from 3.2%**, primarily due to lower energy and food costs. Dubai's Consumer Price Index (CPI) showed a **Q1 2023 inflation rate of 4.6%, down from 4.8%** in Q4 2022. Key factors contributing to inflation included housing costs, which **rose by 4.9% in Q1 2023**, and increased prices for food and beverages, **up by 6.0%**.

SECTORAL OVERVIEW



TRANSPORTATION

The UAE's civil aviation sector has fully rebounded, with 31.8 million passengers in Q1 2023, up from 20.4 million in the same period in 2022. Investments in the sector surpassed AED 1 trillion, with AED 85 billion directed towards airport expansion for over 300 million annual passengers. In 2022, the UAE's aviation sector contributed approximately 14% to GDP, significantly higher than the 2-3% seen in other major emerging markets and advanced economies



GOVERNMENT INVESTMENT AND CONSUMPTION

In 2022, the UAE recorded a fiscal surplus of AED 195.7 billion, 10.5% of GDP, up from 4.5% in 2021. Revenues rose by 27.0% to AED 596.8 billion due to higher taxes and social contributions, while current spending decreased by 1.0% to AED 381.1 billion. Capital spending dropped by 8.5% to AED 20 billion, resulting in total expenditures of AED 401.7 billion, a 1.4% decrease from 2021.

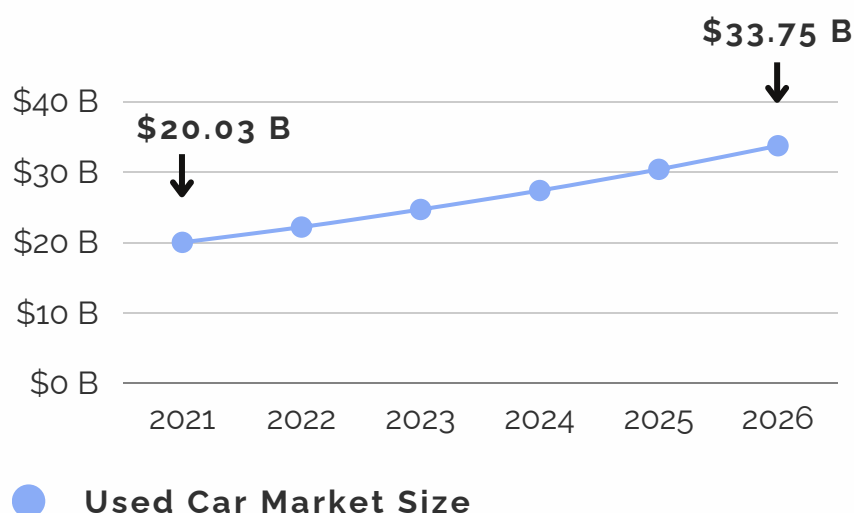


REAL ESTATE

Despite global economic challenges, the UAE's real estate sector thrived in Q1 2023 due to strong domestic demand and foreign investments. Dubai's residential property sales increased by 4.6% YoY, with rents rising by 7.1%, resulting in an 8.2% rental yield. However, average residential sale prices dropped by 3.5% compared to the previous quarter in 2022.

PROJECTED USED CAR MARKET GROWTH (2021-2026):

With an annual CAGR of 11%, the market will be 1.5 times its size by 2026.



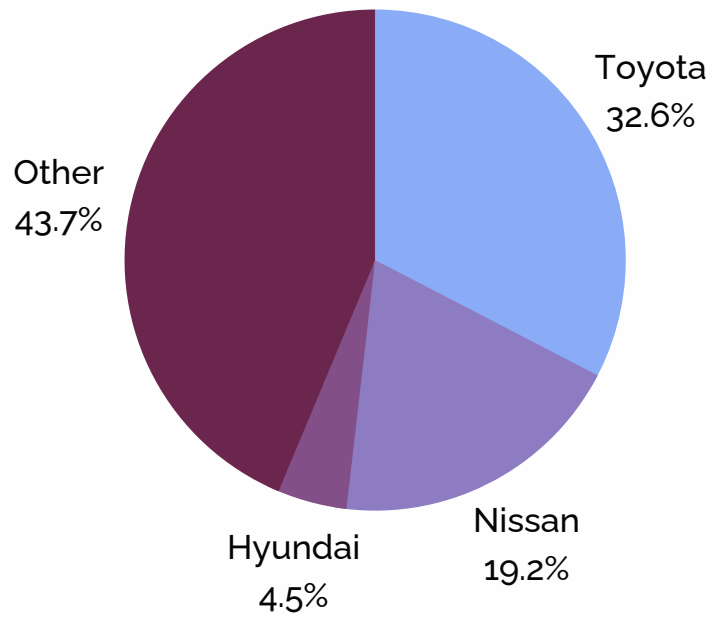
The UAE's automobile market is accelerating rapidly, positioning itself as one of the Middle East's fastest-growing sectors. Despite challenges brought on by the COVID-19 pandemic and supply chain disruptions, the UAE has rebounded remarkably, driven by robust government support and a focus on revenue generation.

Looking ahead, the used car market is poised for exceptional growth, with projections indicating a remarkable compound annual growth rate (CAGR) of 11% from 2021 to 2025.

The competitive landscape will be enriched by franchised dealers offering Certified Pre-owned (CPO) vehicles and organized independent dealers, expanding choices for buyers. Anticipated to reach USD 32.07 billion by 2027, the UAE's used car market is undoubtedly accelerating towards a prosperous future.

MARKET SHARE DISTRIBUTION: LEADING MAKES IN THE UAE MARKET

The automotive market in the Emirates showcased a remarkable upturn in the first quarter of 2023, indicating a promising future. Toyota and Nissan led the pack, experiencing significant sales growth during this period. Toyota emerged as the top performer, with 17,759 units sold, securing over 30% of the market share and enjoying an impressive 11.5% year-on-year increase.



Source:
Carlo. (2023, May 7). Focus2move| Emirates Automotive Market - Facts & Data 2022. Focus2Move. <https://www.focus2move.com/emirates-automotive-market/>

Meanwhile, Nissan followed closely, achieving an astonishing growth rate of 47.1%, with 10,468 new registrations. SUVs became the preferred choice among buyers, surpassing sedans in popularity. In March 2023, the automotive sector continued its expansion, with 19,701 new registrations propelling a 7.6% surge.

The first quarter of 2023 witnessed an overall upward trajectory, with a total of 54,455 registrations, reflecting a notable 6.7% rise compared to the preceding year. Hyundai made a significant leap, claiming the third spot with an exceptional sales growth of 33.8%, tallying a cumulative registration count of 2,436.

The impressive performance of automakers and the increasing preference for SUVs indicate a promising outlook for the Emirates' automotive market. (Carlo, 2023)

KEY PLAYERS AND THEIR OFFERINGS

OFFICIAL DEALERS

Al Tayer Motors



Al Futtaim



Al Nabooda



Al Rostamani



Gargash Enterprises



Al Ghandi Auto Group (AGMC)



CLASSIFIED WEBSITES



AUCTION WEBSITES

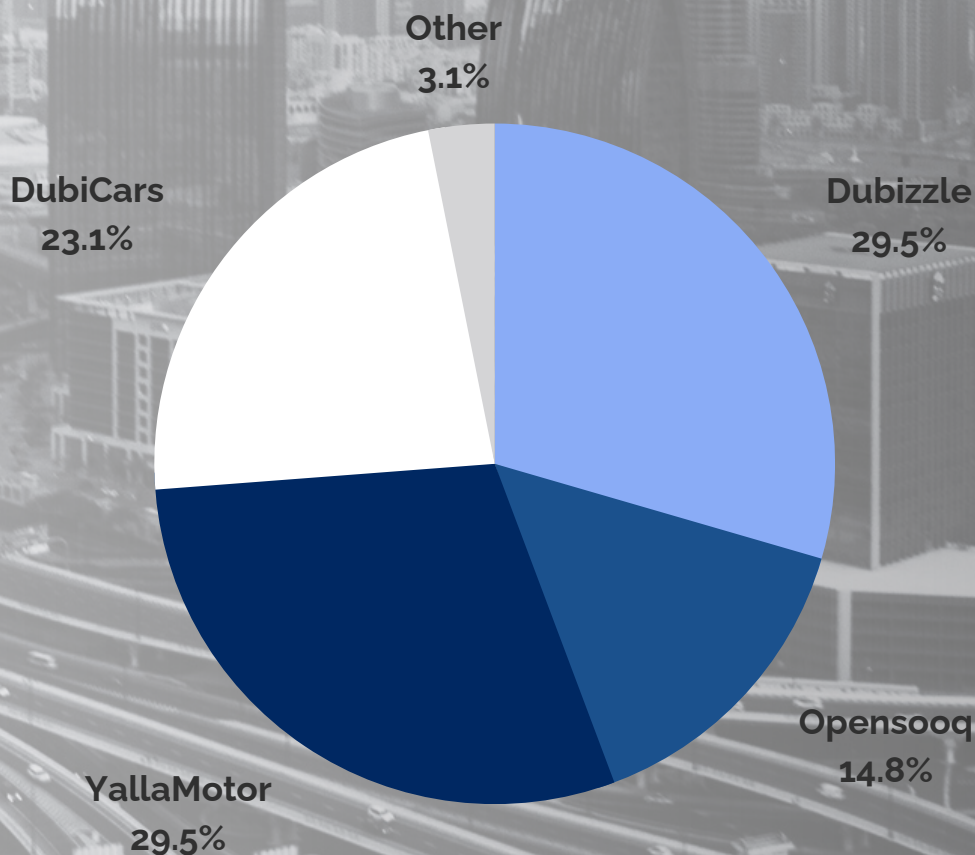


USED CAR SALES CHANNELS

In recent years, the UAE has witnessed a notable surge in the popularity of used car sales platforms. The proliferation of online marketplaces and dedicated mobile applications has made it more convenient for buyers and sellers to connect and conduct transactions efficiently.

Moreover, the UAE's diverse expatriate population, with many individuals residing temporarily in the country, has created a robust market for pre-owned cars as they seek cost-effective mobility solutions.

DISTRUBUTION OF THE TOP PLAYERS IN THE UAE MARKET



Fuel Type Distribution in the UAE Automotive Market: Current Landscape and Pathway to Electric Mobility

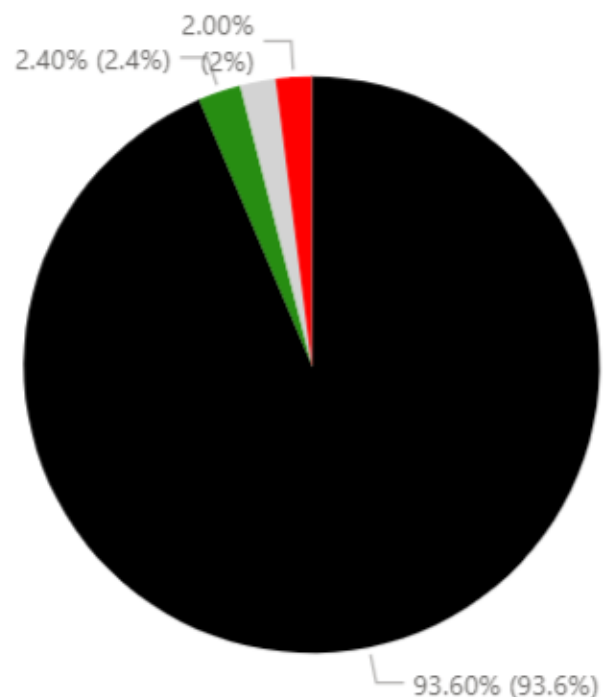
As of 2023, our data reveals a dominant reliance on petrol cars, accounting for a **substantial 94% share**. However, there is a noteworthy emergence of electric and hybrid cars, each constituting a **modest 2% portion**.

In light of the UAE Minister's ambitious goal of achieving a 50% electric car share on the roads by 2050, The current figures demonstrate the initial steps taken towards this target.

The relatively small but growing percentage of electric and hybrid cars indicates a growing interest in eco-friendly alternatives.

To meet the target the market will need to witness a significant acceleration in the adoption of electric vehicles in the coming years. Factors such as **expanding charging infrastructure, government incentives, and advancements in battery technology** will play pivotal roles in steering this transition.

As awareness of environmental concerns grows and technology continues to evolve, it is expected that the UAE's automotive landscape will witness a **transformative shift towards cleaner mobility options**, contributing to a more sustainable and energy-efficient future.



Fuel Type

- Petrol
- Diesel
- Electric
- Hybrid

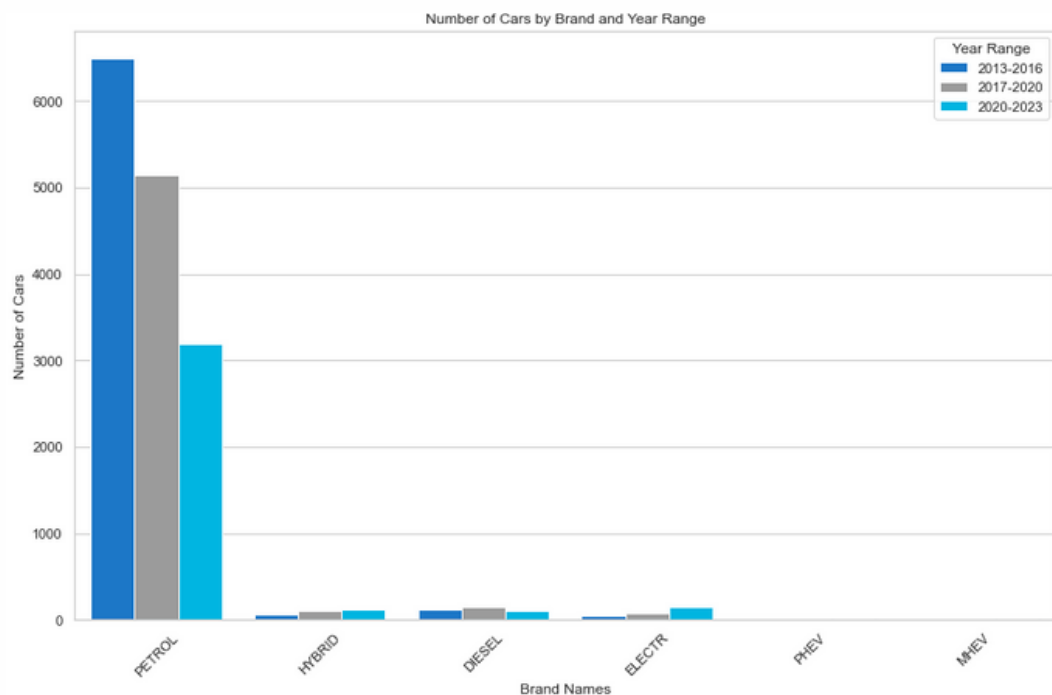


Quantity of vehicles by Fuel Type from 2013 to 2023

The data reveals a significant shift in vehicle preferences towards more environmentally friendly and fuel-efficient options over the years.

The data also shows the emergence of Plug-in Hybrid Electric Vehicles (PHEV) and Mild Hybrid Electric Vehicles (MHEV) in the later years, though their numbers remain relatively modest compared to other fuel types. Overall, this trend reflects a clear consumer shift towards cleaner and more sustainable fuel options, reflecting a growing awareness of environmental concerns and a willingness to adopt greener technologies in the automotive industry.

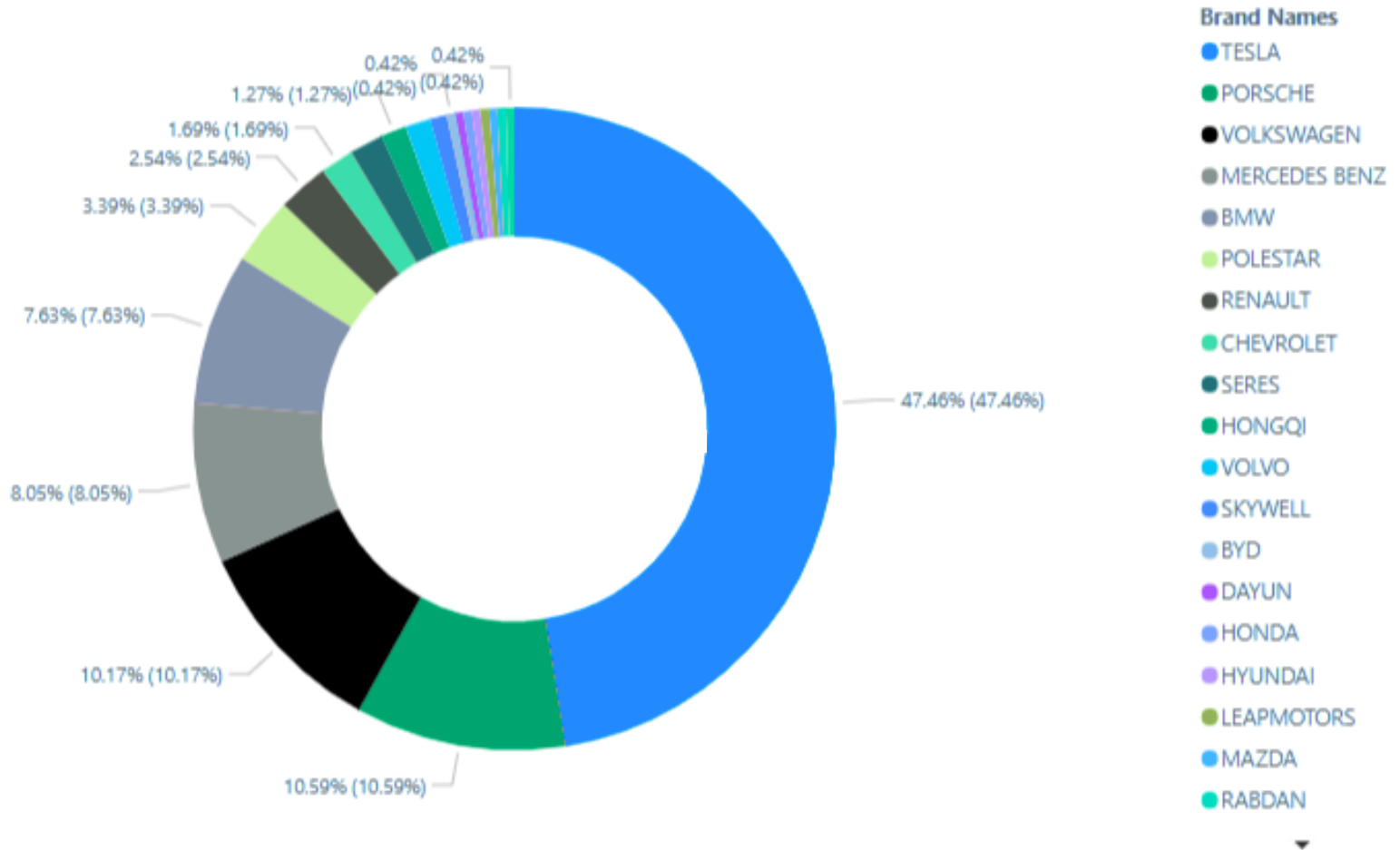
As technological advancements continue to drive improvements in electric and hybrid vehicles, it is foreseeable that the trend towards eco-friendly options will continue to gain momentum in the coming years.



The background features several overlapping triangles in two shades of blue: a dark navy blue and a lighter sky blue. The triangles are scattered across the page, with some pointing upwards and others downwards, creating a modern, geometric aesthetic.

ELECTRIC VEHICLE MARKET ANALYSIS

Distribution of EVs by Brand



The data represents the various EV brands and the number of unique vehicles corresponding to them in the UAE market:

Tesla emerges as the dominant player, boasting an impressive count of unique electric vehicles, signifying the brand's popularity and widespread adoption among consumers. Porsche and Volkswagen follow, displaying a positive shift towards sustainability and greener transportation choice: The beginning of a more inclusive and eco-conscious automotive landscape, and a growing interest in luxury electric vehicles.

The page features several large, solid-colored triangles in shades of dark blue and light blue, scattered across the background. Some triangles are partially cut off by the edges of the page. The text is centered in the middle of the page.

RESIDUAL VALUE PERFORMANCE

SEGMENT I: FUEL TYPE

ELECTRIC VEHICLES

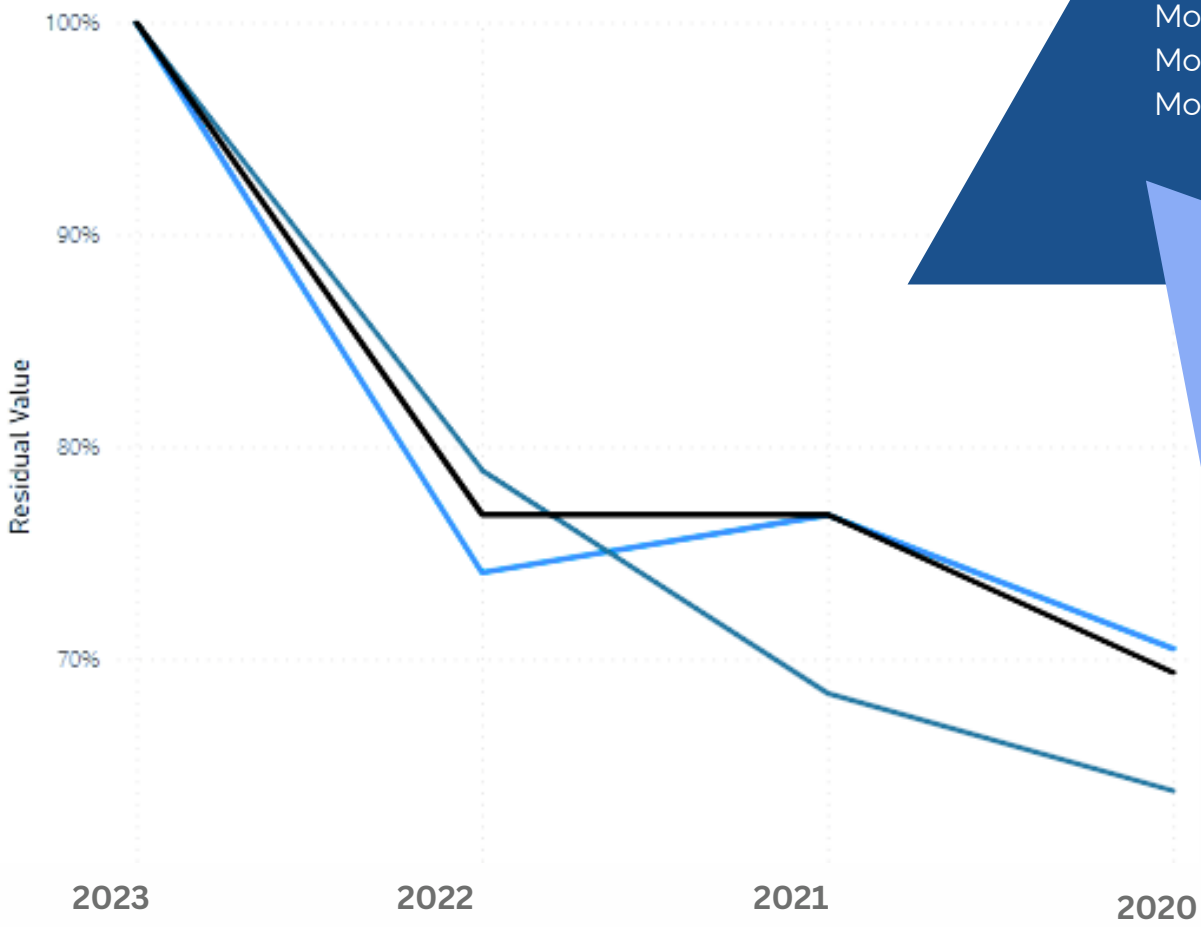
Audi
BMW
Chevrolet
Hyundai
Nissan
Tesla

...

EV Market Trends

RV Performance for Tesla

Model Names ● MODEL 3 ● MODEL S ● MODEL Y



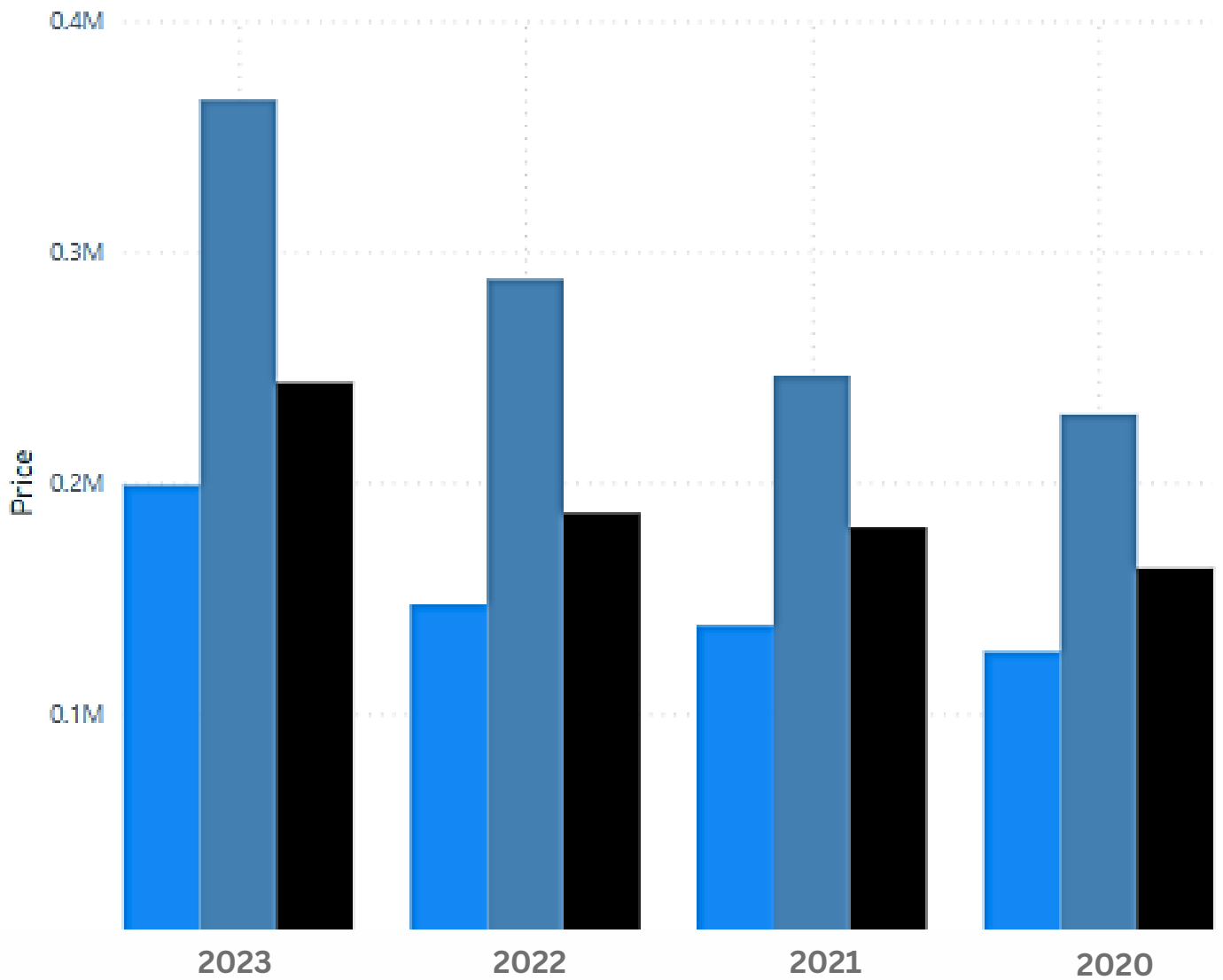
RV Performance at 24000 km / year

TESLA

Model 3 - Sedan
Model S - Hatchback
Model Y - SUV

Price Comparison for Tesla

Model Names ● MODEL 3 ● MODEL S ● MODEL Y



SEGMENT II: LUXURY, PREMIUM & STANDARD MANUFACTURERS



PREMIUM MANUFACTURERS

Audi
BMW
Cadillac
Chevrolet
Jeep
Infiniti
Lexus
Mercedes-Benz
...



STANDARD MANUFACTURERS

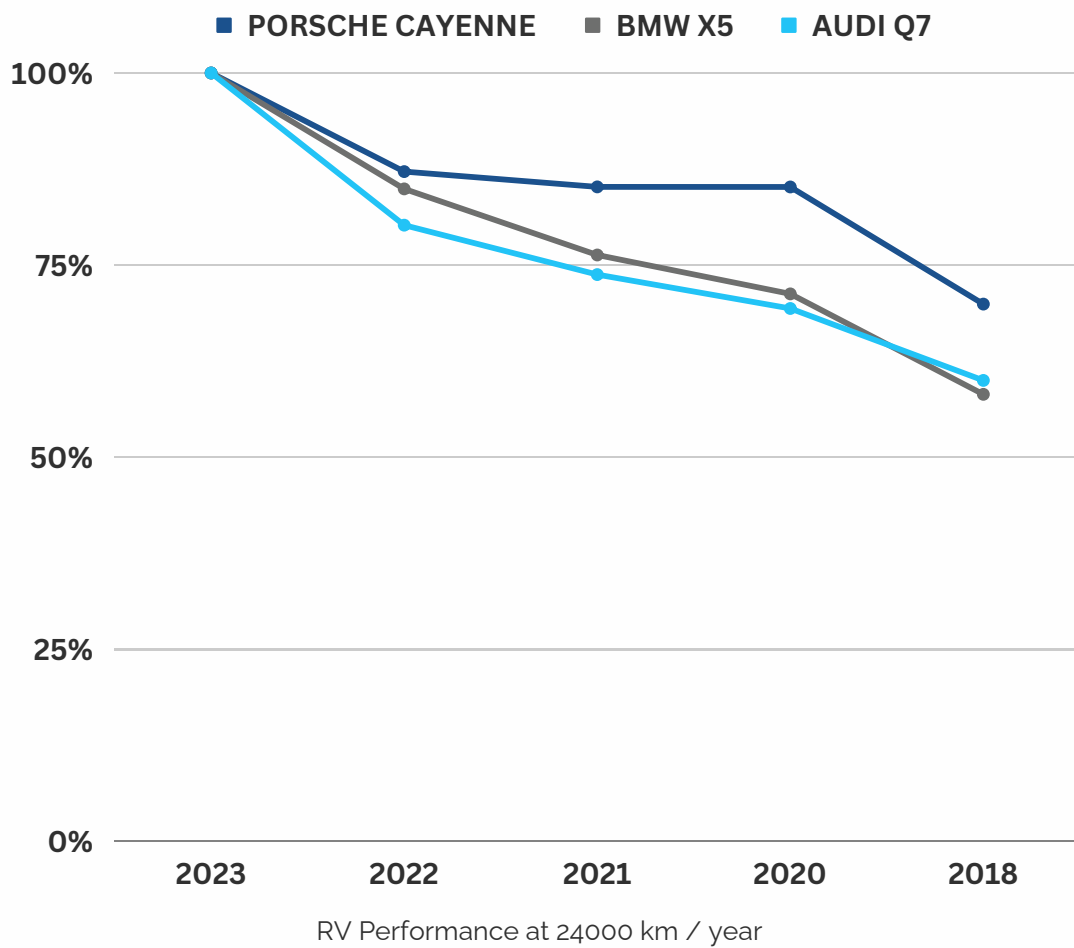
Chery
Ford
Honda
Kia
Mazda
Nissan
Opel
Toyota
Volkswagen
...



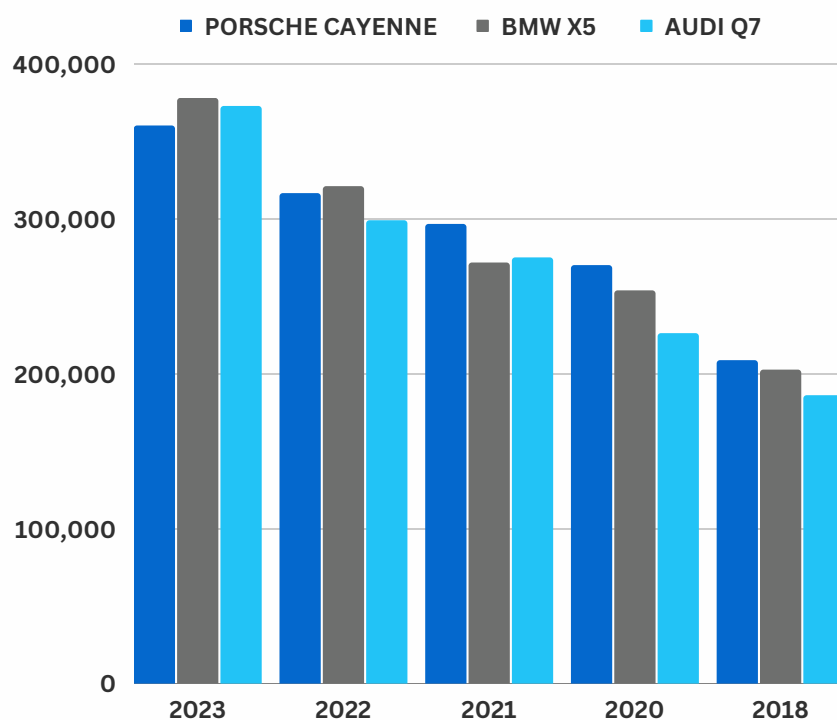
LUXURY MANUFACTURERS

Aston Martin
Bentley
Bugatti
Ferrari
Lamborghini
Land Rover
Maserati
Porsche
Rolls Royce
...

RV Performance for Porsche VS Competition: Midsize SUVs



Price Comparison for Porsche VS Competition: Midsize SUVs



ANALYSIS



The data analysis reveals a consistent pattern of faster depreciation in the earlier years, indicating a steeper drop in residual values during the first few years of ownership for the **Porsche Cayenne, BMW X5, and Audi Q7 luxury SUVs.**

However, as time progresses, the depreciation rate gradually stabilizes for all three vehicles. These trends align with typical patterns seen in the automotive industry, where new luxury SUVs experience **significant depreciation in their initial years but subsequently stabilize to a more gradual decline** in value.

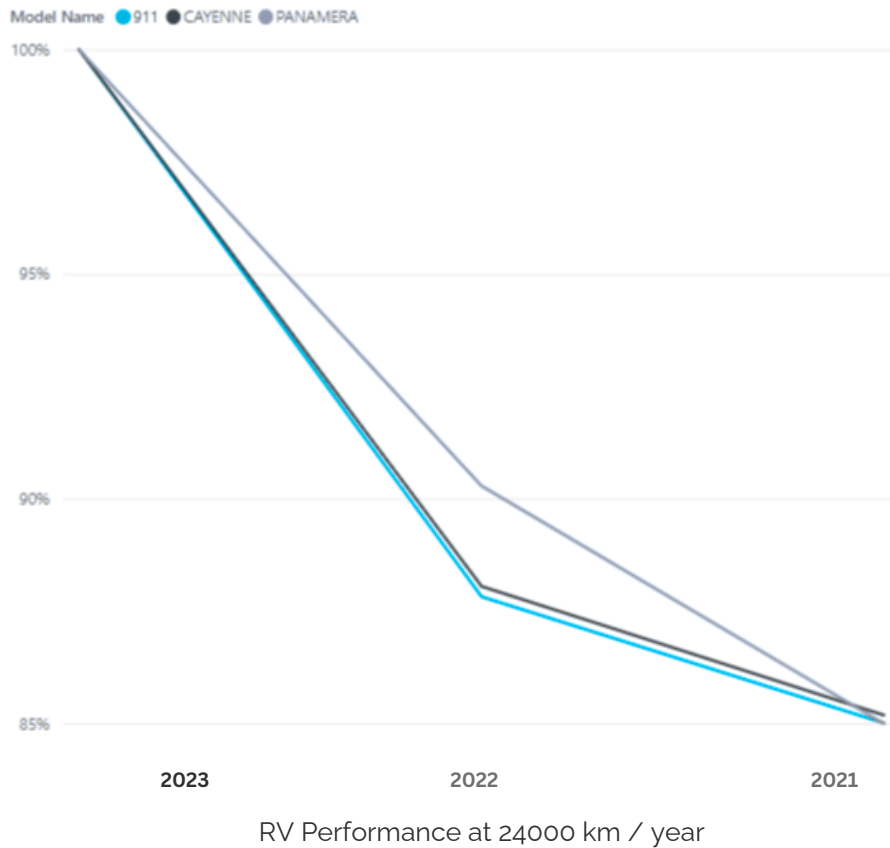
The observed trends offer valuable insights for luxury SUV buyers and sellers. Potential buyers can take advantage of the Porsche Cayenne's stronger residual value, which may translate to **better long-term cost-effectiveness.**

On the other hand, sellers of the BMW X5 should be mindful of its **higher depreciation rate** and consider appropriate pricing strategies to optimize returns.

Overall, this analysis aids in making informed decisions about the long-term ownership costs and potential resale values of the **Porsche Cayenne, BMW X5, and Audi Q7 luxury SUVs**, contributing to a more informed and sustainable approach to the used car market.

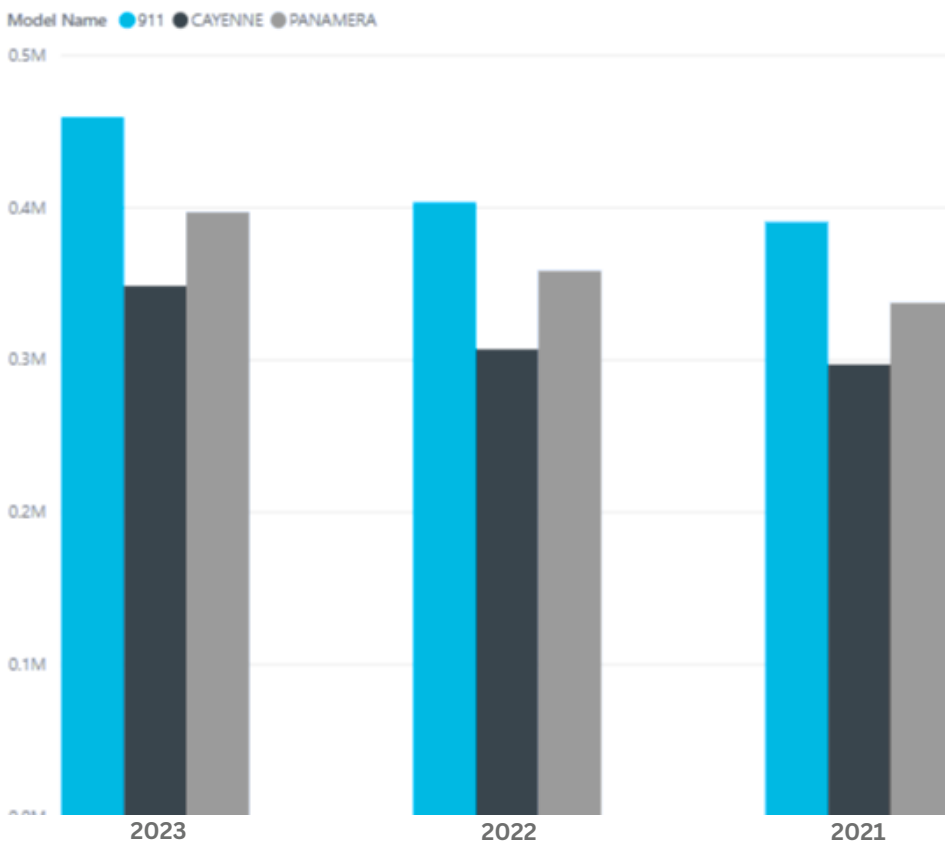
RV Performance for a Luxury Manufacturer

Porsche: SUV vs Sedan vs Coupe



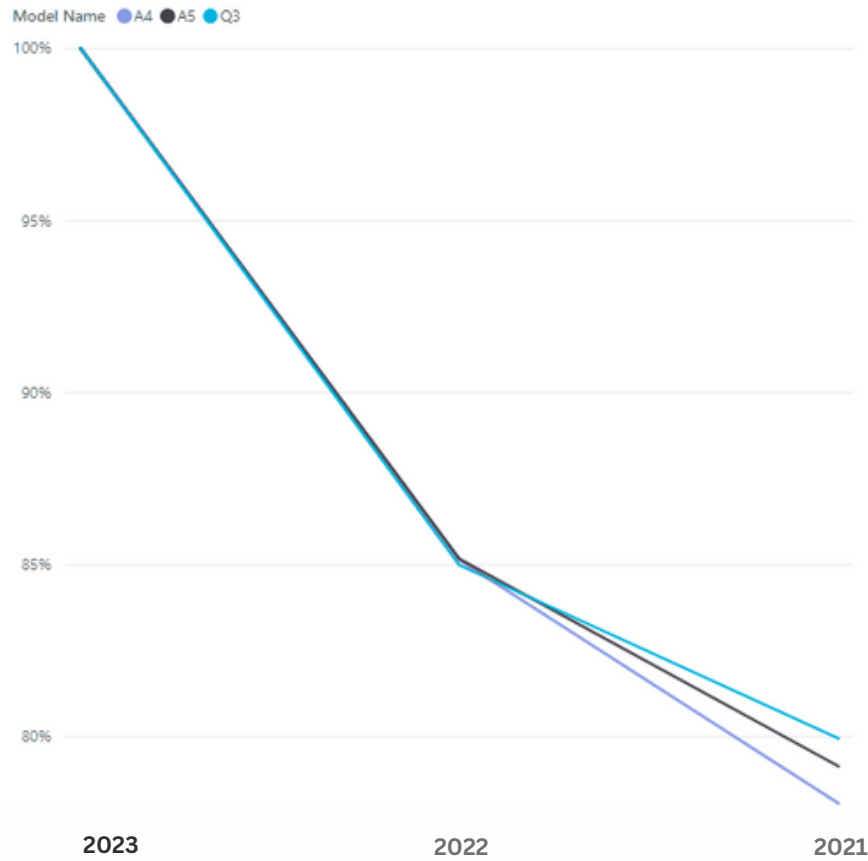
Price Comparison for a Luxury Manufacturer

Porsche: SUV vs Sedan vs Coupe



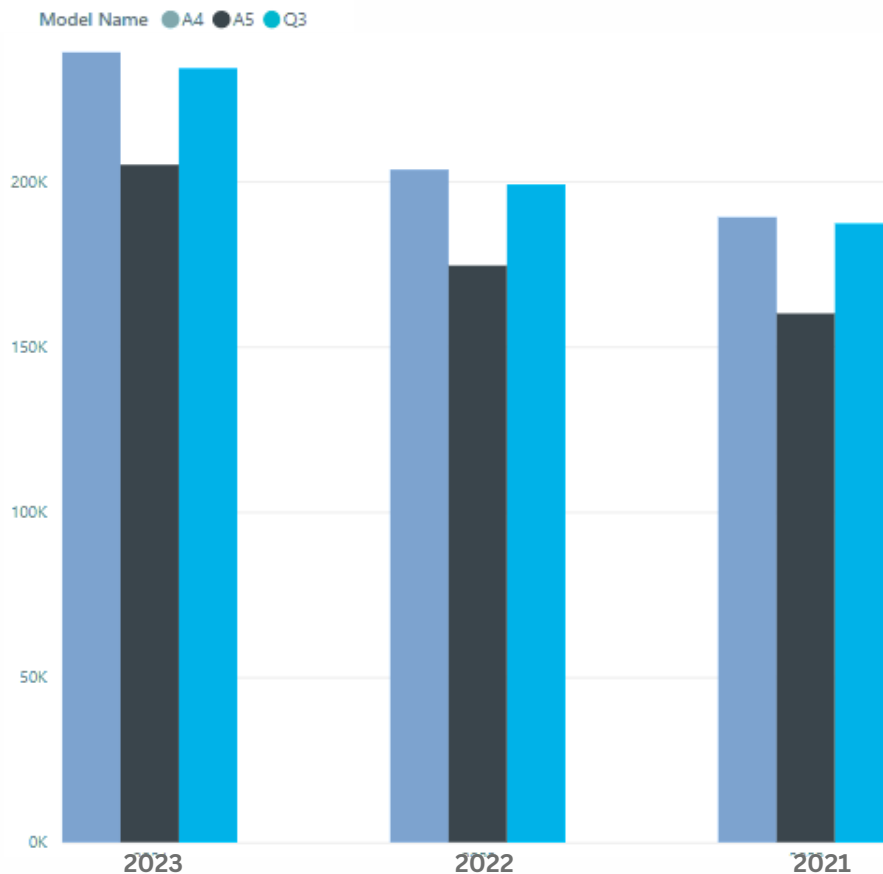
RV Performance for a Premium Manufacturer

Audi: SUV vs Sedan vs Coupe



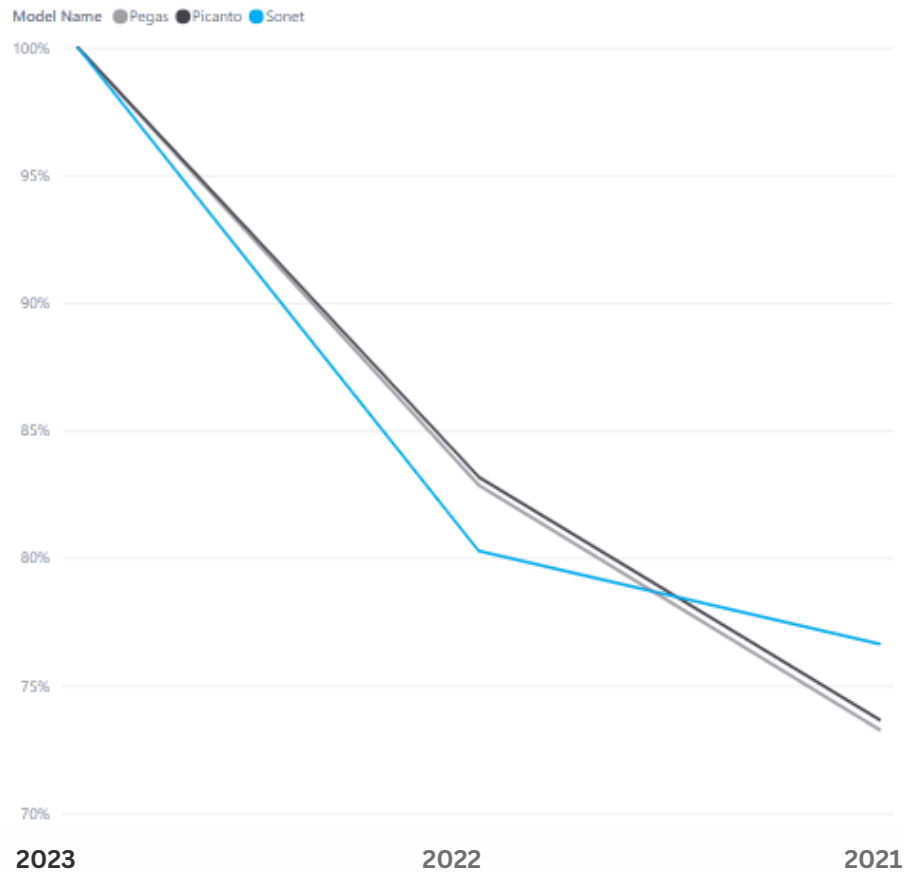
Price Comparison for a Premium Manufacturer:

Audi: SUV vs Sedan vs Coupe



RV Performance for a Standard Manufacturer

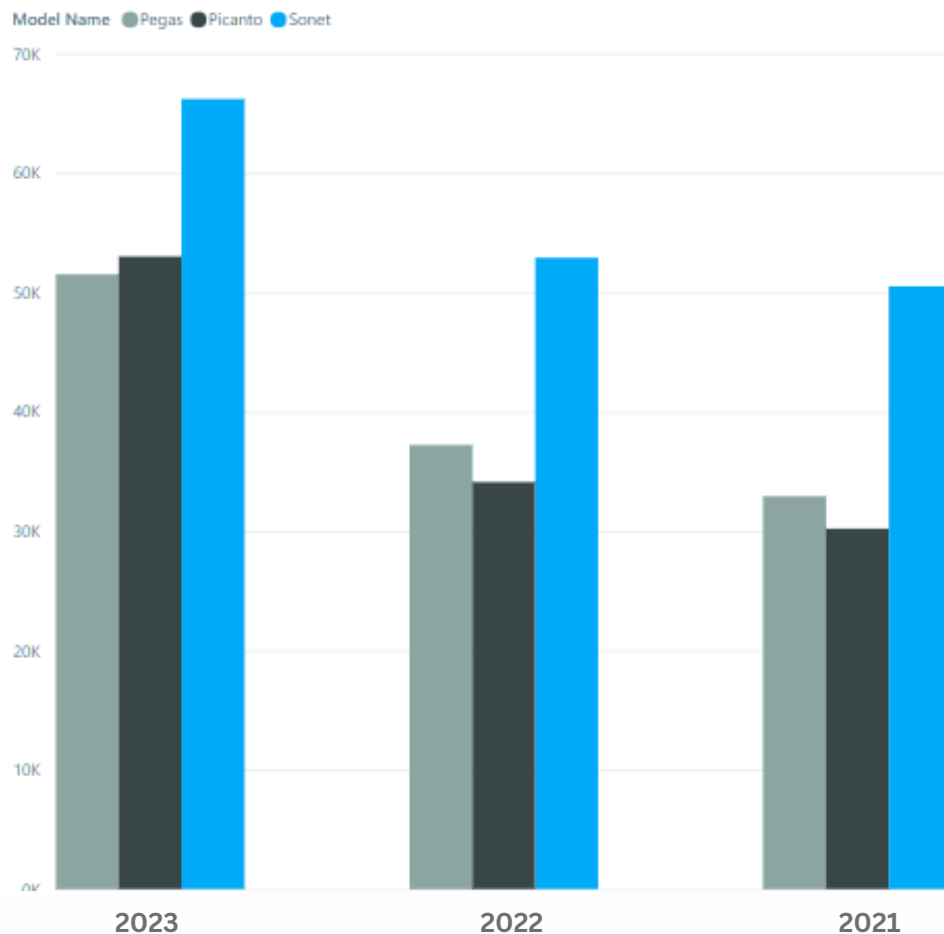
Kia: SUV vs Sedan vs Coupe



RV Performance at 24000 km / year

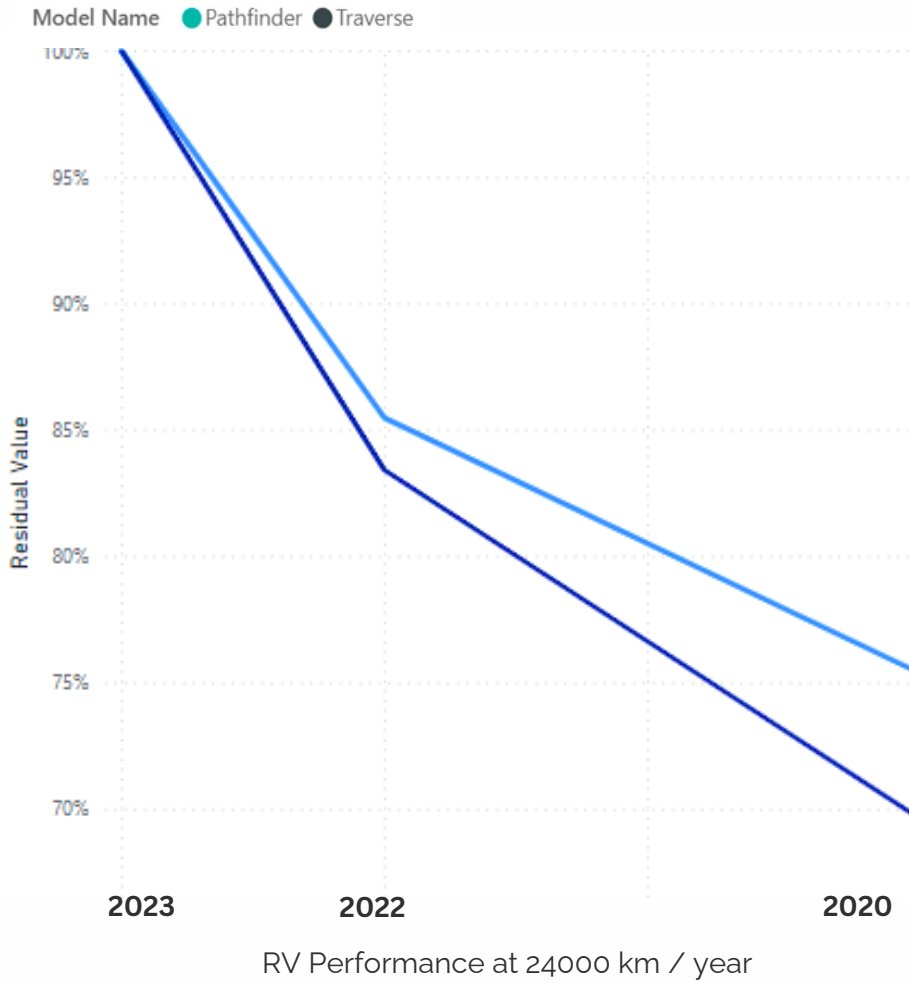
Price Comparison for a Standard Manufacturer

Kia: SUV vs Sedan vs Coupe



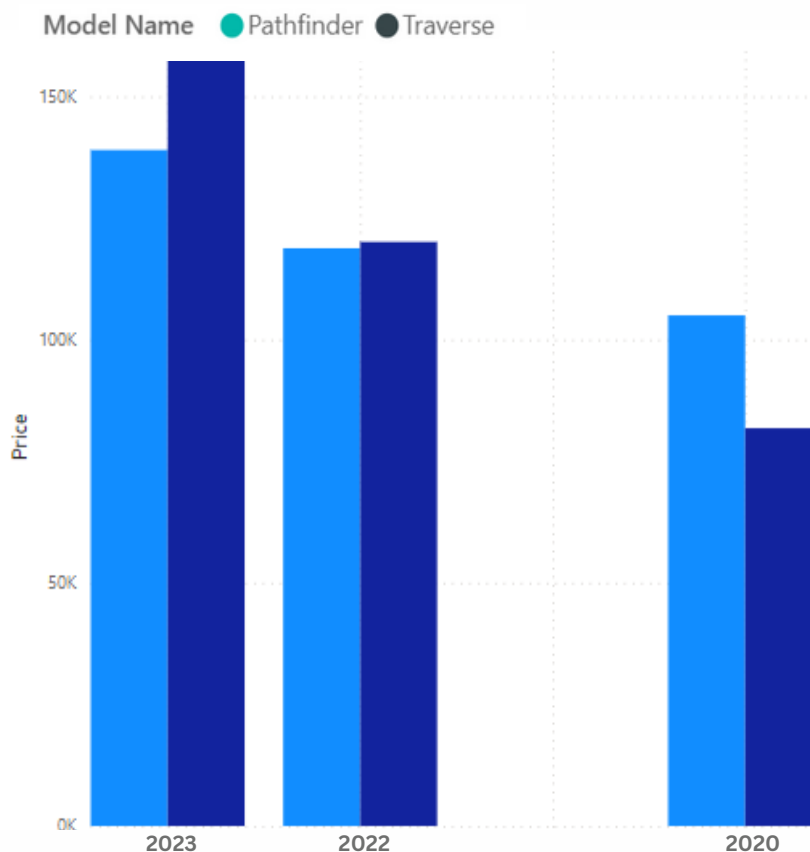
RV Performance for a Standard VS Premium

Nissan VS Chevrolet: Midsize SUV

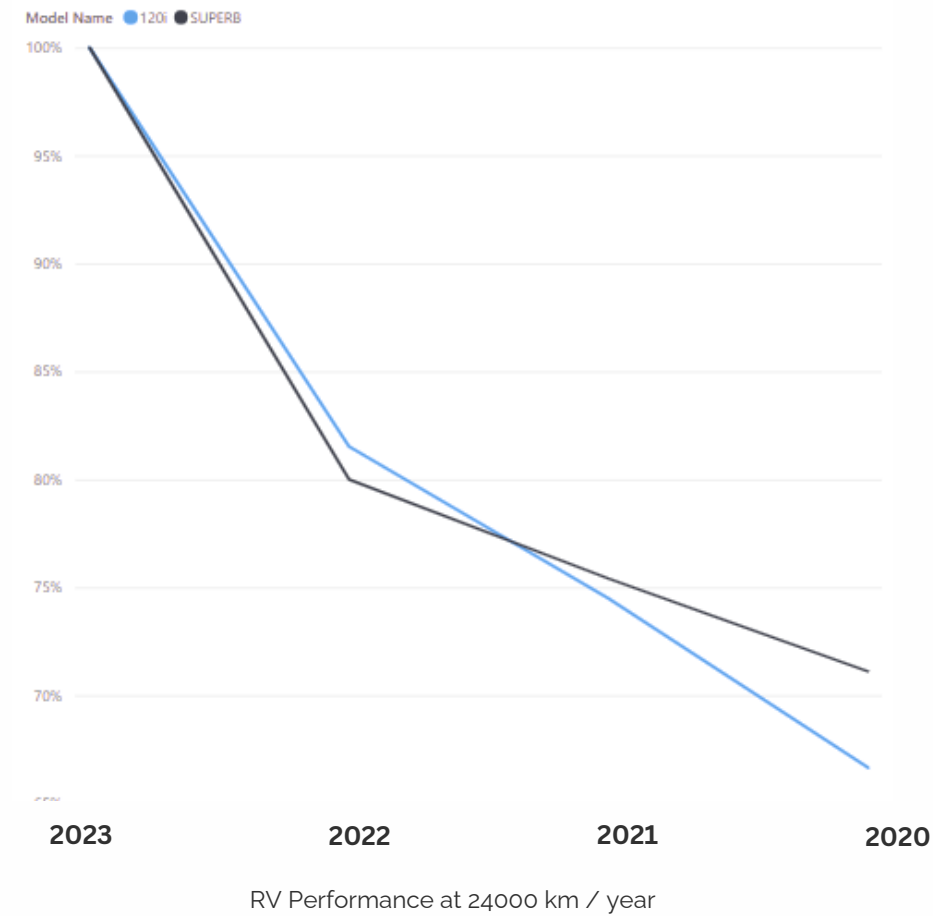


Price Comparison for Standard VS Premium

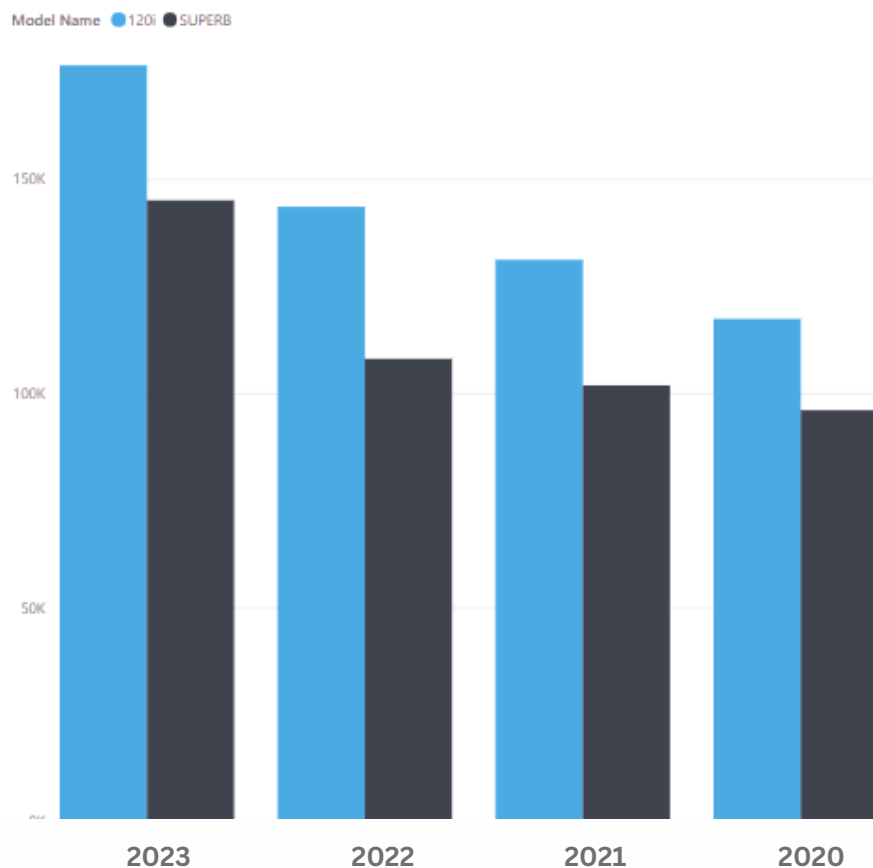
Nissan VS Chevrolet: Midsize SUV



RV Performance for a Standard VS Premium BMW VS Skoda: Hatchback



Price Comparison for a Standard VS Premium BMW VS Skoda: Hatchback



SEGMENT III: BRAND ORIGINS



AMERICAN

Cadillac
Chevrolet
Chrysler
Dodge
Ford
GMC
Jeep
Tesla

...

EUROPEAN

Audi
BMW
Jaguar
Land Rover
Mercedes-Benz
Peugeot
Renault
Volkswagen
Volvo

...

KOREAN

Genesis
Hyundai
Kia

...

CHINESE

Changan
Geely
Great Wall
Motors
Haval

...

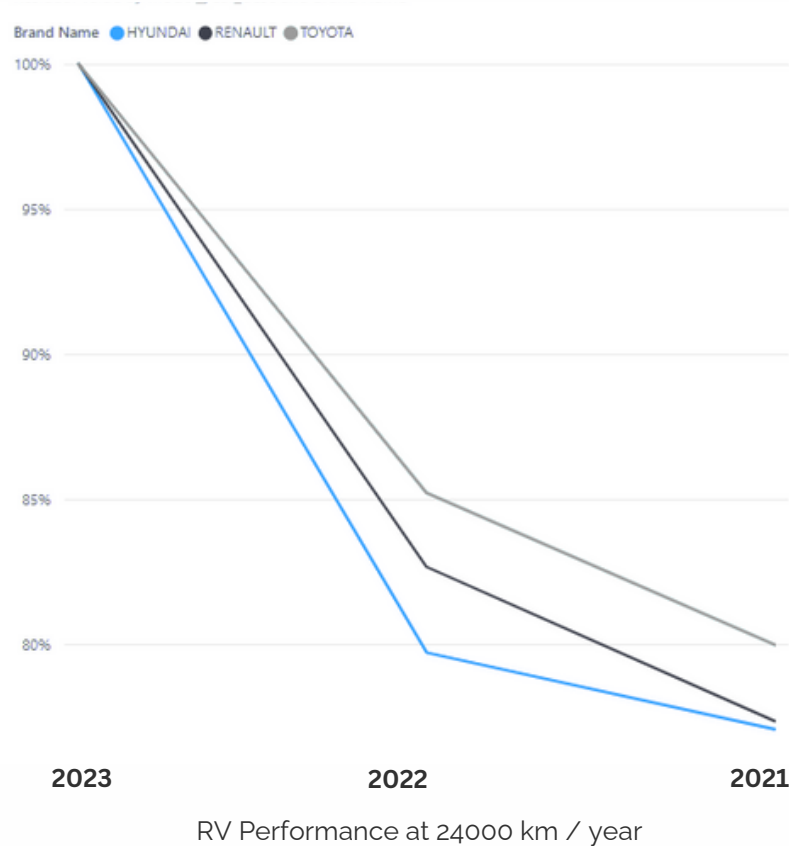
JAPANESE

Honda
Infiniti
Lexus
Mazda
Nissan
Toyota

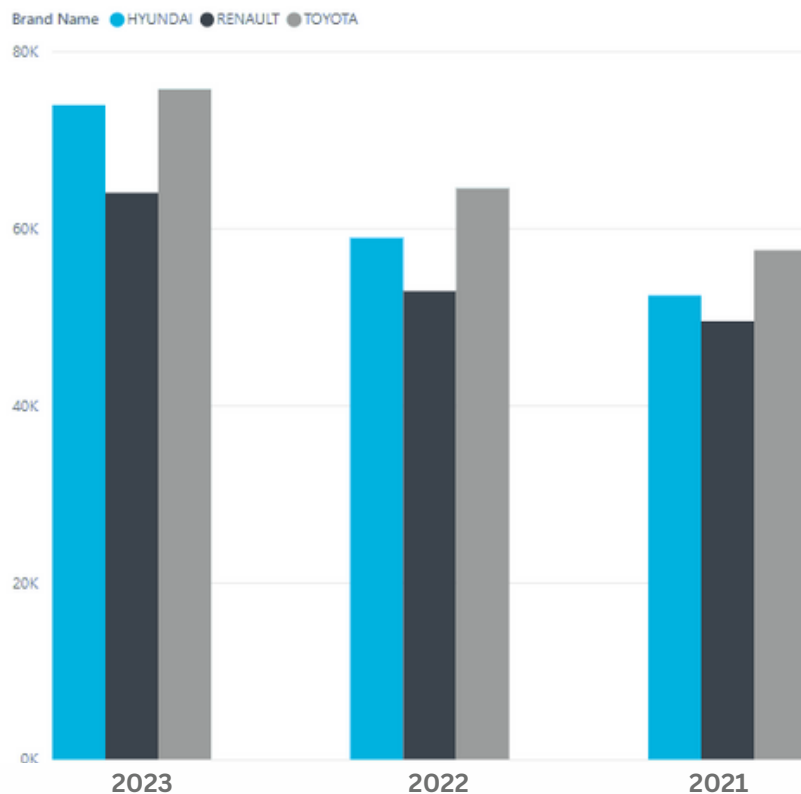
...

BODYTYPE: SEDAN

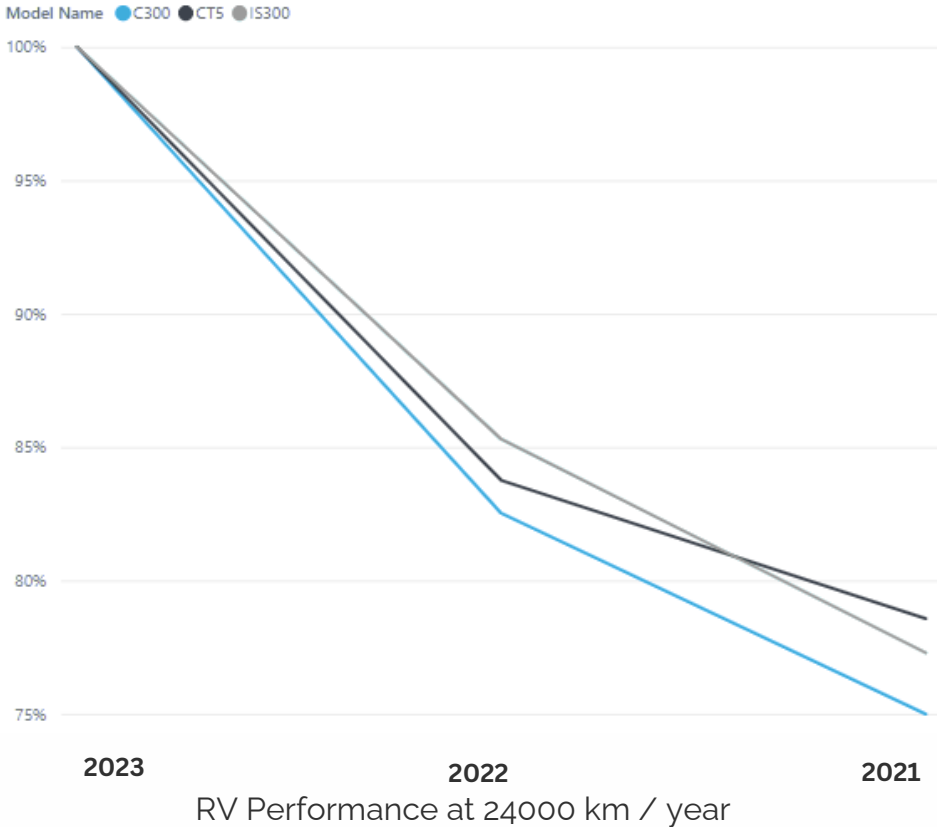
RV Performance for Hyundai VS Renault VS Toyota Standard Compact Sedans



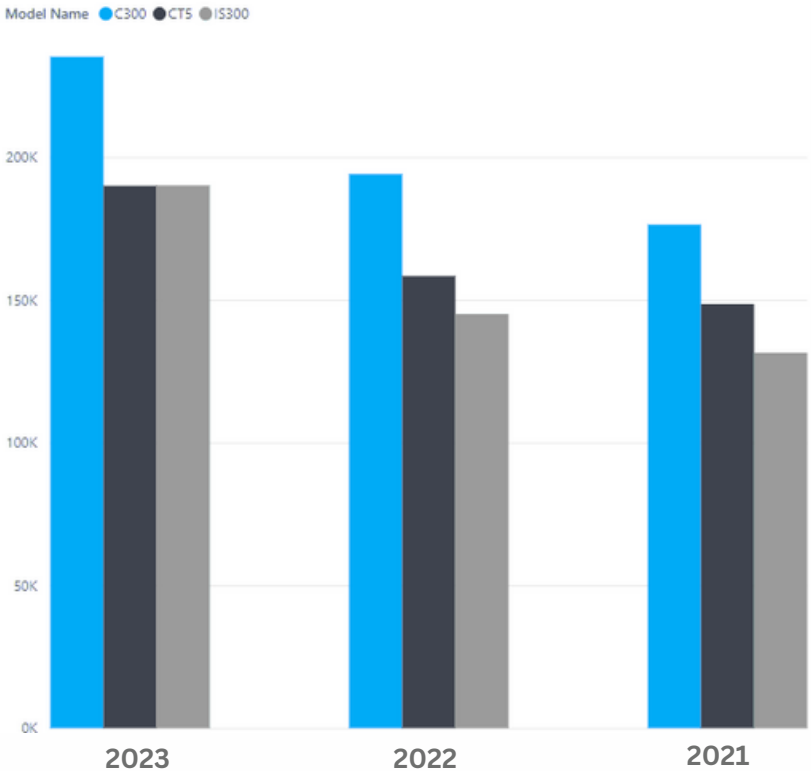
Price Comparison for Hyundai VS Renault VS Toyota Standard Compact Sedans



RV Performance for Mercedes-Benz VS Cadillac VS Lexus Premium Midsize Sedans

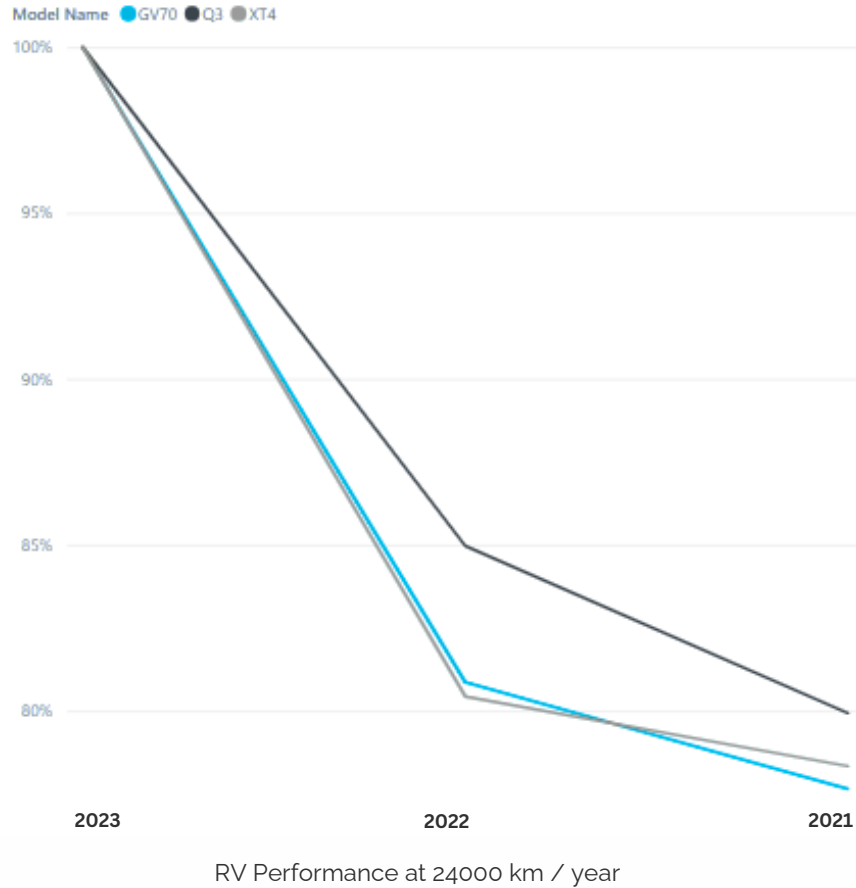


Price Comparison for Mercedes-Benz VS Cadillac VS Lexus Premium Midsize Sedans

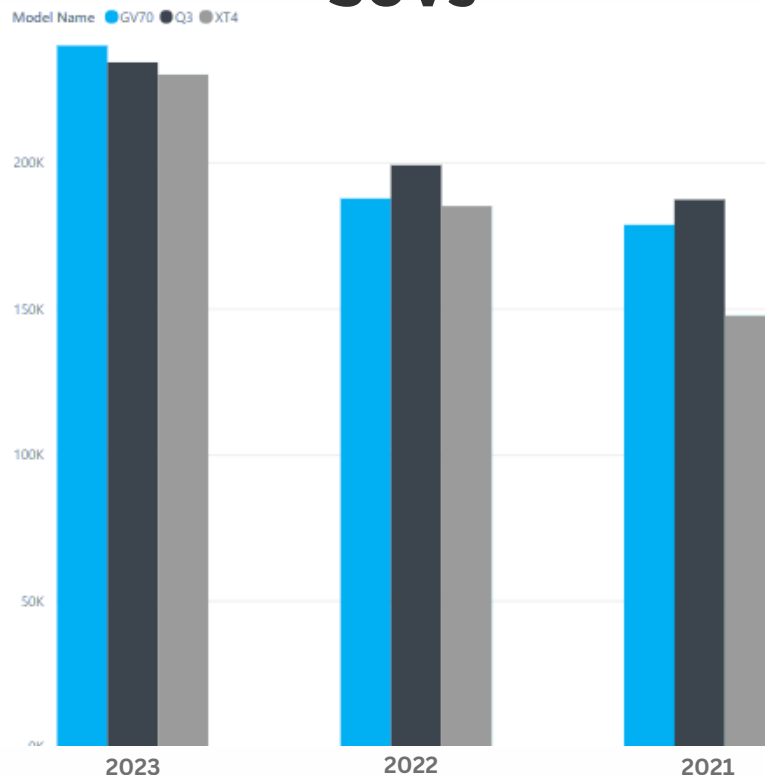


BODYTYPE: SUV

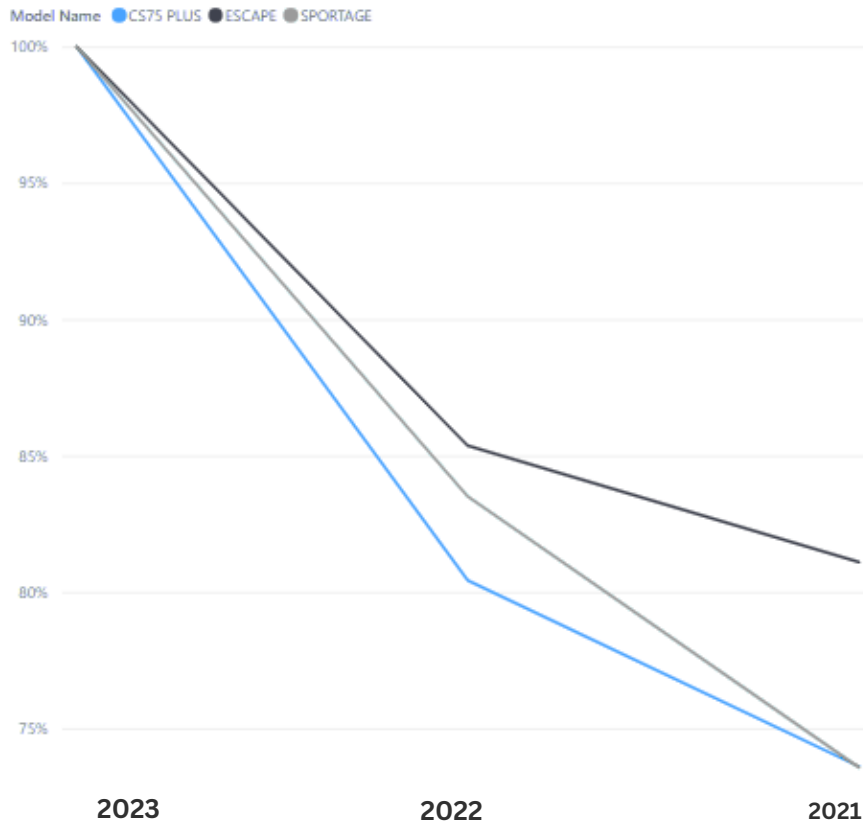
RV Performance for Genesis VS Cadillac VS Audi: Compact SUVs



Price Comparison for Genesis VS Cadillac VS Audi: Compact SUVs

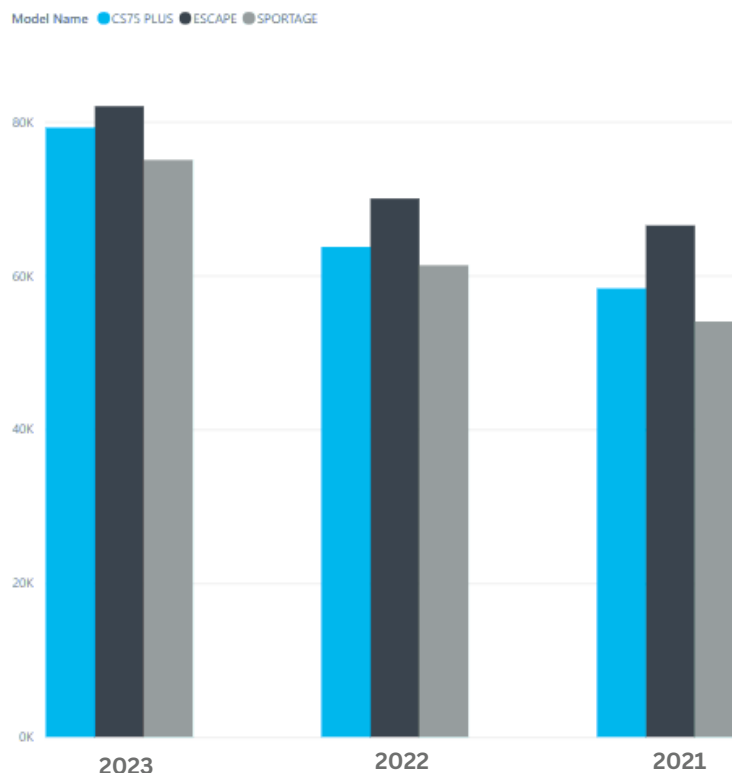


RV Performance for Changan VS Ford VS Kia: Midsize SUVs

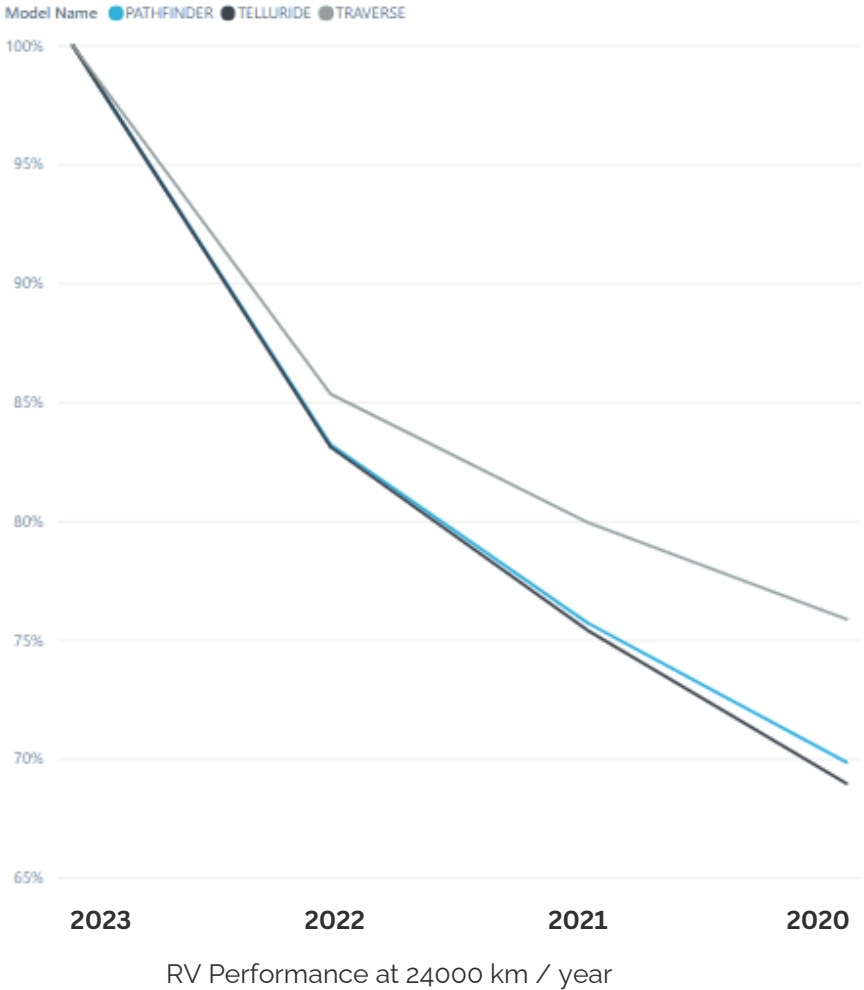


RV Performance at 24000 km / year

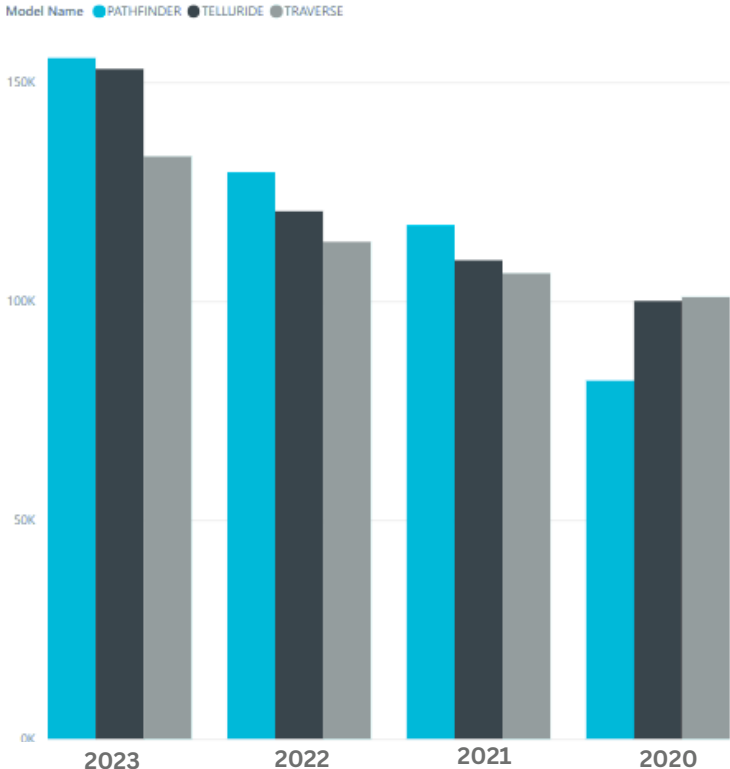
Price Comparison for Changan VS Ford VS Kia: Midsize SUVs



RV Performance for Nissan VS Kia VS Chevrolet: Large SUVs



Price Comparison for Nissan VS Kia VS Chevrolet: Large SUVs



SURGING DEMAND: WHEN USED CAR PRICES ECLIPSE NEW PRICES IN UAE MARKET

PAGANI

ZONDA CINQUE
2013

50%
increase

MERCEDES BENZ

SLS AMG
2014

34%
increase

PORSCHE

918 SPYDER
2015

20%
increase

PORSCHE

918 SPYDER
WEISSACH
2015

17%
increase

LYKAN

HYPERSPORT
2015

17%
increase

BMW

iX M60 SPORT
2023

5%
increase

As the automotive landscape in the UAE undergoes a remarkable transformation, This phenomenon tells a compelling story about the changing landscape of automotive preferences and the dynamics that shape consumer behavior.

1. RESILIENCE AND QUALITY:

These models have proven themselves as enduring and reliable choices, capable of withstanding the test of time and harsh environmental conditions in the UAE. Buyers are recognizing the long-term value of these vehicles, valuing their ability to maintain performance and functionality over the years.

2. SUPPLY AND DEMAND DYNAMICS:

The data emphasizes the impact of supply and demand on market dynamics. Scarcity of new vehicles due to supply chain disruptions has driven up demand for used cars. As a result, certain used car models have become coveted commodities, commanding higher prices due to their limited availability in the market.

3. SYMBOL OF PRESTIGE:

For luxury and exotic car models experiencing this trend, the story speaks to their enduring prestige and desirability. These vehicles are not only seen as status symbols but also as valuable assets that hold their value over time. The trend underscores the timeless appeal and exclusivity of certain luxury car brands in the UAE.

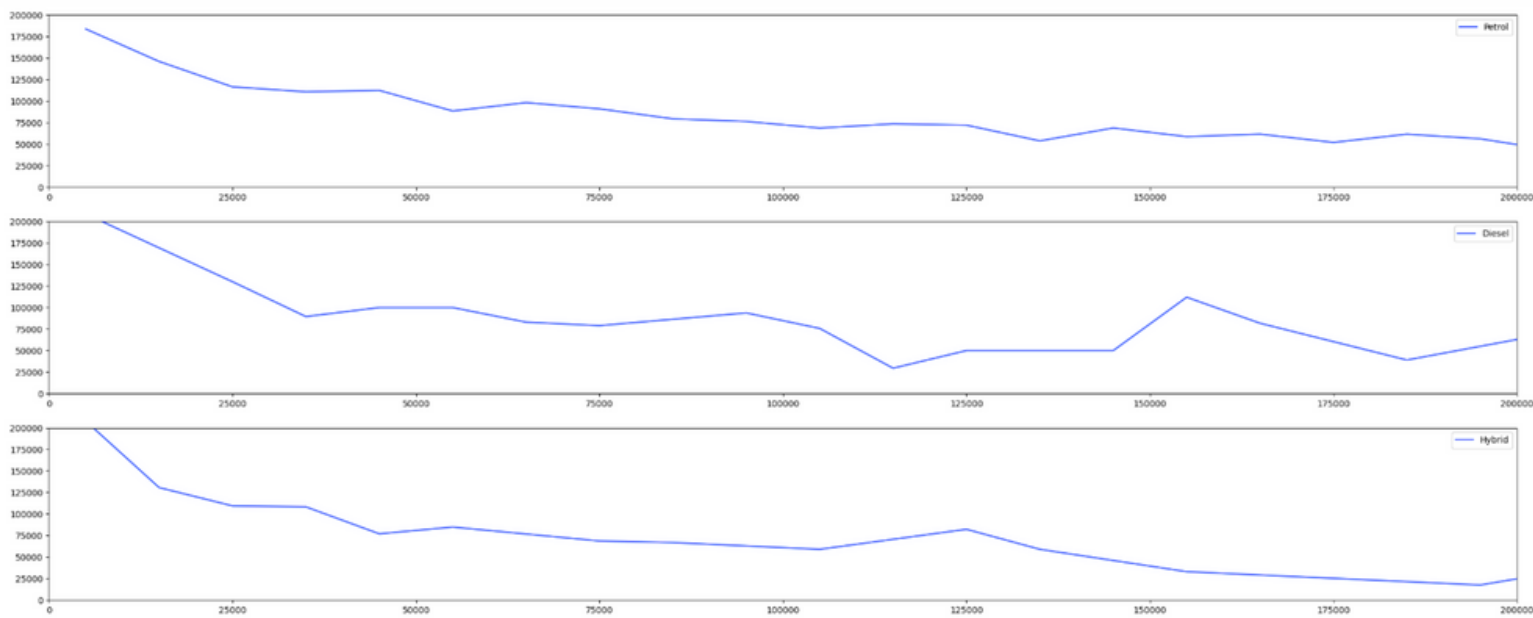
In essence, the data paints a portrait of pragmatic consumers who are willing to challenge traditional norms and embrace vehicles that offer long-term value, durability, and financial sensibility.

Consumers in this segment prioritize exclusive features, advanced technology, and exceptional performance, resulting in sustained interest and purchases within the luxury car market.

This indicates that the premium pricing is justified by the premium experience and status associated with these vehicles, contributing to the continued profitability of manufacturers in this sector.

SEGMENTATION: BY FUEL TYPE

PRICE TRENDS AS A FUNCTION OF MILEAGE



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- UAE Used Car Market Size & Share Analysis - Industry Research Report - Growth Trends. (n.d.). [https://www.mordorintelligence.com/industry-reports/united-arab-emirates-used-car-market#:~:text=UAE%20Used%20Car%20Market%20Analysis,period%20\(2022%20%2D%202027\).](https://www.mordorintelligence.com/industry-reports/united-arab-emirates-used-car-market#:~:text=UAE%20Used%20Car%20Market%20Analysis,period%20(2022%20%2D%202027).)
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