

Brazil Vehicle Rental - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2024 - 2029)

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Abstracts

The Brazil Vehicle Rental Market size is estimated at USD 1.9 billion in 2024, and is expected to reach USD 3.10 billion by 2029, growing at a CAGR of 8% during the forecast period (2024-2029).

Over the medium term, with life returning to routine and commencing international travel, Brazil is among the top countries to visit on the tourist list. Owing to the rich cultural heritage and natural scenery of the Amazon forests and beaches, the government is also taking initiatives to boost the country's tourism industry.

The target set in the Brazilian National Tourism Plan was an increase in revenue generated by international tourism of 8.58% in 2023, but the result was an annual growth of 41%.

Additionally, the residents are moving toward rented vehicles rather than buying them because of high vehicle maintenance. These factors are likely to lead to Brazil's vehicle rental market growth during the forecast period.

Increased concern and awareness of lower emissions have increased car rental options. Additionally, vehicle rental also provides the option of increased mobility without the concern of paying the costs associated with car ownership and maintenance.

As a result, the shortage of vehicles led to a deficit between demand and supply, leading to buyers looking for alternative car options. The rental services offered by several companies in the market came across as the best alternative and a viable option for private vehicle owners, leading to increased demand for rental vehicles in

Brazil.

Considering the high demand, various new startups and rental companies are also focusing on technological advancements such as the deployment of the all-in-one platform that offers SaaS (Software as a Service), HaaS (Hardware as a Service), and apps to manage transportation demands of companies covering people needs (charter transport, point to point, and car sharing), thus, creating a positive impact on the market.

Brazil Vehicle Rental Market Trends

Leisure/Tourism is Expected to Grow at the Highest Rate

Brazil is considered one of the top destinations for tourism, and its tourism industry is increasing steadily and is expected to grow exponentially.

Investments made by the government in developing tourism across the country contribute to increasing car rental rates in Brazil. For instance, according to the Brazilian Ministry of Tourism, spending by international tourists in Brazil reached USD 170 million in 2023, the highest in the last 25 years.

International arrivals are also rising every year, combined with the rise in domestic flights. Over 4 million foreign tourists visited Brazil in the first eight months of 2023, double the number in 2022, with the number of domestic flights growing by 33.7%, resulting in increased visitors and tourism activity.

Many business travelers also return for leisure in one of the country's leading tourist destinations, like Rio or S?o Paulo. With the rise of new travel startups, online travel agencies are looking to innovate the industry.

With the rise in tourism and exponential growth in airport travelers, car rental services play a vital role in contributing to a smooth travel experience. Car rental services offer tourists the freedom to explore their chosen destinations at their own pace and are used for airport pickups and drops.

In June 2023, Brazilian car rental company Localiza opened a new tab by launching a follow-on share offering aimed at expanding its car fleet and service network. Thus, such developments are contributing to segment growth.

Online Booking is Dominating the Market

Brazil has a significantly high number of internet users due to the availability of high-speed internet at affordable prices. According to the International Trade Administration, by 2025, Brazil will be among the five largest markets in the world for smartphones, with approximately 200 million connections.

With the growth in smartphone penetration, travelers are shifting to online car booking services, making car rental companies shift their business models from brick-and-mortar structures to online business models to provide their customers with an easy and hassle-free experience.

The advancement of car rental services technology offers extra features for real-time monitoring of a rental vehicle's operation and performance. Such features significantly benefit fleet managers and make rental services more efficient and effective.

The popularity of online car rental booking has caused many rental agencies to offer exclusive deals and discounts for those who book via the internet. As a result, more travelers are opting to reserve their rentals online instead of choosing physical agencies, causing a surge in demand for this convenient method.

In March 2023, Sao Paulo launched the MobiazapSP app ride service to compete directly with Uber, Didi, Chuxing 99, and other platforms.

Advancements in technology, such as virtual reality and artificial intelligence, may also play a role in the future of car rental booking, thus having a positive impact on the market segment.

Brazil Vehicle Rental Industry Overview

Brazil's vehicle rental market is consolidated and led by globally and regionally established players. The companies adopt strategies such as new product launches, collaborations, and mergers to sustain their market positions. For instance,

In July 2023, BYD, the world's leading manufacturer of new energy vehicles, collaborated with 99 and announced a vehicle-for-hire company operating in Brazil

owned by Didi Chuxing (DiDi), the arrival of 300 D1 EVs, the first electric vehicle tailor-made to meet the ride-hailing market's demands through an application, marking a new milestone in fleet electrification for passengers in Brazil.

Some of the major players in the market include Localiza, Movida, Unidas, eDreams, and Hertz Corporation.

Additional Benefits:

The market estimate (ME) sheet in Excel format

3 months of analyst support

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