

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

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Abstracts

The Philippines Car Rental Market size is estimated at USD 633.49 million in 2024, and is expected to reach USD 917.95 million by 2029, growing at a CAGR of 7.70% during the forecast period (2024-2029).

Over the medium term, the car rental market in the Philippines has grown steadily for several reasons. One of them is the increasing cost of owning a car. Buying and maintaining a vehicle can be expensive due to gasoline and other maintenance expenses. Consequently, renting cars has become a popular choice among many individuals since it is more affordable.

One noteworthy trend in the Philippines is the increase in visitors and ex-pats, leading to a growing demand for automobile rental services. This demand stems from the increasing number of individuals visiting the country for either business or pleasure, requiring a reliable and convenient mode of transportation.

Due to the increasing number of individuals traveling for business and leisure, there has been a notable rise in the demand for car rental services. As a result, car rental companies are experiencing a surge in their customer base, indicating the necessity of their services for travelers and local commuters.

Philippines Car Rental Market Trends

Online Booking Is Expected to Witness Significant Growth During the Forecast Period

Increased concern and awareness about virus containment have led to a rise in the

availability of rental cars. This has made it easier for people to travel without worrying about vehicle expenses. The rental car market also benefits from the tourism industry, which has increased mobility options for travelers. This expansion of rental car services is mainly due to the proliferation of websites and other online platforms.

As the usage of the internet and smartphones increases among customers, there is a predicted rise in their inclination toward online booking. This inclination is attributed to the customers' desire for detailed access to accommodations, services, and other benefits. For instance, more than 50% of all vehicle rental reservations in 2021 were made online. This trend could be attributed to the growth of the internet.

In recent years, the use of technology has become increasingly popular among clients looking to rent cars. This technology provides additional tools for monitoring the performance and maintenance of rental cars in real time. As a result, fleet managers and drivers are better equipped to identify potential problems and quickly implement improvements to their rental services.

The increase in internet booking can be attributed to three main factors: the desire for authentic travel experiences, convenience, and value for money. Startups and third-party travel booking businesses are using applications and websites to provide their services; thus, consumers favor online booking over traditional booking. Because of these factors, the development of Internet booking is accelerating.

With the above-mentioned development across the country, online booking is witnessing major growth in the coming years.

The Tourism Segment Holds Significant Market Share

The Philippines is a nation that thrives on tourism, owing to its pristine white-sand beaches and hospitable people. In the past, the tourism industry contributed over 10% to the country's GDP. However, the pandemic-led international border closures and nationwide lockdowns have led to a significant drop of almost 50% in the tourism sector's direct gross value added over the last two years.

With the slow easing of travel restrictions and the acceleration of vaccination rollout in the country, the Philippine tourism sector is poised to make a strong comeback. Moreover, the relaxation of testing and quarantine mandates is expected to boost the

industry's momentum further, leading to a new era of growth and prosperity for the Philippine tourism ecosystem.

In recent years, there has been a noticeable trend of legal entities opting for car leasing as their preferred mode of transportation. There are several advantages of leasing a car, such as the availability of low monthly payments, tax benefits, the status of owning a new car every few years, and the added benefit of not having to worry about maintenance costs. This trend has gained popularity among businesses of all sizes, allowing them access to a fleet of new cars without the burden of ownership.

According to the Department of Tourism (DOT), the Philippines witnessed a remarkable surge in foreign tourism, with over 1.2 million tourists visiting the country during the initial two months of 2024. This is a significant achievement for the country's tourism industry, striving to attract more visitors and promote its diverse culture, breathtaking landscapes, and exceptional hospitality services.

With the development mentioned above across the country, the car rental service is witnessing significant growth in the coming years.

Philippines Car Rental Industry Overview

Key players dominate the Philippines car rental market, such as Thrifty Car Rental, Enterprise Rent A Car LLC, and Europcar. To maintain an edge over their competitors, these leading rental companies are seeking funding to meet the market's growing demands. For instance,

In March 2023, BPI Century Tokyo Lease and Finance Corp (BPICT), through its subsidiary BPI Century Tokyo Rental Corp (BPICTR), acquired one of the largest car rental companies in the Philippines, Diamond Rent-a-Car. Through this acquisition, the company improved BPICTR's core business by adding car rental, maintenance and repair, fleet management BPO, and 24-hour service to meet diverse demand and enhance service quality.

In May 2022, Grab and Hertz PH partnered to launch "Rent by Grab," a rental service accessible via the Grab app. The service delivers a wide range of vehicles and 24/7 booking availability. It is currently available in several areas within Metro Manila.

Additional Benefits:

The market estimate (ME) sheet in Excel format

3 months of analyst support

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