

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

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Abstracts

The UAE Used Car Market size is estimated at USD 18.39 billion in 2024, and is expected to reach USD 32.03 billion by 2029, growing at a CAGR of 11.73% during the forecast period (2024-2029).

The United Arab Emirates used car market has been growing steadily over the years and has become a key part of the automotive industry. Factors driving the growth of the used car market include affordability, availability, quality of used cars, the large number of expatriates, and consumer preferences. However, price discrepancies, lack of standardization, and others are expected to act as major restraints to the growth of the market.

The used car market in the United Arab Emirates is expected to continue to grow, driven by factors such as affordability, availability, and changing consumer preferences. However, the exact scope of future growth will depend on a variety of factors, including the overall health of the economy, consumer preferences, and government policies affecting the automotive industry.

The used car market in the United Arab Emirates is driven by the country's vibrant travel and tourism industry. Tourists and locals alike prefer these versatile used vehicles for their spacious interiors, accommodating both passengers and luggage comfortably.

Due to the increasing digitization and the ability of companies to provide immersive purchase experiences remotely, the United Arab Emirates used car market is expected to witness significant growth. Furthermore, the rise in the value-added service offering and the variety of finance providers offering credit for used cars will also contribute to the growth of the used car market in the country.

UAE Used Car Market Trends

The Sports Utility Vehicles (SUVs) and Multi-Purpose Vehicles (MPVs) Segment is Expected to Hold Higher Share in the Market

Sport utility vehicles and multi-purpose vehicles are surging in popularity in the United Arab Emirates used car market, driven by the country's vibrant travel and tourism industry. Tourists and locals alike prefer these versatile vehicles for their spacious interiors, accommodating both passengers and luggage comfortably. The robust design of SUVs suits the diverse terrains encountered during travel, providing a sense of reliability.

Multi-purpose vehicles (MPVs) have flexible seating configurations that cater to larger groups, which enhances the communal travel experience. This trend aligns with the demand for reliable and adaptable vehicles in the tourism sector, promoting a noticeable uptick in the resale and purchase of sport utility vehicles and multi-purpose vehicles.

The SUV trend among youth may be the driving force for the SUV segment among domestic buyers. In this situation, the existence of SUVs with luxurious and sporty looks generally cater to the higher class while yet providing a reasonable level of comfort. SUVs offer greater deals to customers who have these concerns. Even for a low budget, there is a low-cost SUV that nonetheless gives the image of a robust and latest vehicle. This SUV sector is good value for money in the middle-income economy.

The increasing tourism, entertainment, and leisure activities in the country are anticipated to boost the demand for multi-purpose vehicles. MPVs topped the used car sales in the past few years. According to current conditions, the MPV car trend is still strong in the United Arab Emirates and is anticipated to hold high market shares.

The most popular top-selling multi-purpose vehicles in the United Arab Emirates include the Mitsubishi Pajero, Nissan Altima, Toyota Land Cruiser, Toyota Fortuner, Kia Seltos, Kia Sportage, Honda Accord, Kia KA4 Carnival, Honda Odyssey, LDV G10, and Volkswagen Multivan.

Owing to space, versatility, affordability, reliability, and appeal to changing consumer preferences. It is anticipated that the trend of used sport utility vehicles (SUVs) and multi-purpose vehicles (MPVs) is expected to continue to grow in the coming years.

The Online Booking Type Segment is Expected to Register the Fastest Growth Rate Between 2024 and 2029

Internet penetration in the United Arab Emirates is relatively high, with the country having one of the highest rates of Internet use in the world. According to Statista, the number of internet users in the United Arab Emirates reached 9.38 million in January 2023, up by 0.8% from 2022. The United Arab Emirates has a significantly high penetration of internet users in the GCC region, and this is primarily attributed to the availability of high-speed internet at an affordable price. In January 2023, the number of internet users in the country stood at nearly 99% of the total country's population. The availability of high-speed broadband networks, the widespread adoption of mobile devices, and the growing reliance on digital technologies for communication and commerce have all contributed to this trend.

Many multi-brand B2B, B2C, and independent dealerships are expected to develop their online presence in order to participate in the online used car market. Some players are introducing various business strategies on their own digital platforms to enhance the digital experience for owners of used car fleets and targeting B2B customers across the value chain. Used vehicle platforms are likely to focus on establishing a transactional marketplace to enable 100% online end-to-end transactions without having to visit showrooms from the comfort of their homes. For instance,

In December 2022, Al-Futtaim Automotive, a new and used car player, announced a partnership with Autorola AS. This new joint venture aims to enhance the country's business-to-business used car market. This joint venture introduced an integrated and end-to-end digital platform for the used car industry.

In February 2022, Cars24, a renowned online platform, recently launched AI-enabled software in the UAE, allowing vehicle enthusiasts to purchase and sell cars within 30 minutes of downloading the program. Customers can also calculate their monthly EMI and track other characteristics like engine, steering, and tires. It is one of the most advanced platforms for consumers to obtain car financing, insurance, maintenance, and other important services.

Such developments are expected to improve the online segment of the market between 2024 and 2029 and are poised to create a positive outlook for the market.

UAE Used Car Industry Overview

The UAE used car market is considered to be moderately fragmented, accommodating several leading players like Al-Futtaim Group, Al Nabooda Automobiles LLC, Arabian Automobiles Company, Souq Al Haraj, Car Switch, and Yalla Motors. While several key offline used car dealers are focused on adopting expansion strategies like collaborative agreements, mergers, and acquisitions, other new entrants are also encouraged to explore the market and are actively focused on fleet expansion, varied offerings, etc.

In February 2023, AW Rostamani Group, an automotive dealer in the United Arab Emirates, launched its first luxury used-car showroom, NXT Luxury, Dubai, United Arab Emirates. This milestone marks the growth of the used-car segment in the United Arab Emirates, with AW Rostamani Group extending its offering to meet the demands of its customers.

In October 2023, YallaMotor, a United Arab Emirates-based automotive marketplace, launched a new app that makes buying and selling used cars easier.

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