

UAE Used Car Market By Vehicle Type (Hatchback, Sedan, and Sports Utility Vehicle (SUV) and Multi-Purpose Vehicles (MPVs)), By Fuel Type (Gasoline, Diesel, and Others), By Booking Type (Online and Offline), Regional, Competition, Forecast & Opportunities, 2018-2028

<https://marketpublishers.com/r/UFE4F5B2AF58EN.html>

Date: November 2023

Pages: 90

Price: US\$ 3,500.00 (Single User License)

ID: UFE4F5B2AF58EN

Abstracts

UAE Tire Market has valued at USD 290 Million in 2022 and is anticipated to project robust growth in the forecast period with a CAGR of 6.23%. The United Arab Emirates (UAE) tire market continues to experience robust growth, driven by a surge in automotive sales and the burgeoning trend of vehicle customization. This growth can be attributed to various factors, including the increasing number of car owners in the region, the rise of the tourism sector, and the presence of leading global tire manufacturers.

The demand for tires in the UAE is fueled by both local consumers and the thriving tourism industry. As more people visit the country, the need for reliable and high-quality tires becomes paramount. Additionally, the presence of leading global tire manufacturers in the region has further contributed to the market's dynamism, as they bring their expertise and advanced technologies to cater to the growing demand.

Furthermore, recent developments in tire technology, such as run-flat tires and green tires, have played a significant role in fueling the market expansion. Run-flat tires provide added safety and convenience by allowing vehicles to continue driving even after a puncture, while green tires offer improved fuel efficiency and reduced environmental impact. These innovative tire solutions have gained popularity among consumers who value performance, safety, and sustainability.

Although the COVID-19 pandemic caused short-term disruptions in the UAE tire market, the industry is expected to rebound and continue its growth trajectory in the coming years. As the economy recovers and automotive sales pick up, the demand for tires is projected to increase. Moreover, with the ongoing advancements in tire technology and the country's commitment to sustainable practices, the UAE tire market is poised for further expansion and innovation in the foreseeable future.

Key Market Drivers

High Vehicle Ownership Rates

One of the most prominent drivers of the UAE tire market is the consistently high rate of vehicle ownership in the country. The UAE boasts one of the highest per capita vehicle ownership rates globally, driven by factors such as robust economic growth, a high standard of living, and a car-centric culture. With a significant number of vehicles on UAE roads, there is a constant and substantial demand for tires. This demand is not only driven by new vehicle sales but also by frequent tire replacements, as the harsh climate and road conditions in the region necessitate regular tire maintenance and upgrades. As a result, tire manufacturers and retailers in the UAE benefit from a steady and growing market.

Harsh Climate Conditions

The extreme desert climate of the UAE, characterized by scorching hot temperatures and occasional sandstorms, is a significant driver for the tire market. These climatic conditions can be particularly harsh on tires, leading to accelerated wear and tear. As a result, tires in the UAE are subjected to greater stress and often require more frequent replacements compared to regions with milder climates. Consumers prioritize tire performance and safety features that can withstand these challenging conditions, leading to a continuous demand for high-quality and durable tires. The combination of extreme heat, sand, and occasional heavy rains also underscores the importance of maintaining proper tire tread and pressure for safe driving.

Infrastructure Development and Urbanization

The UAE's rapid infrastructure development and urbanization are key drivers of the tire market. The country has been investing heavily in infrastructure projects, including road expansions, modernization, and new construction. These initiatives not only improve

transportation networks but also stimulate economic activity, leading to an increased demand for commercial vehicles, public transportation, and personal vehicles. The expansion of urban areas, combined with enhanced road infrastructure, influences consumer mobility patterns. This results in increased vehicle ownership and the need for tire replacements, as well as an uptick in commercial tire demand due to logistics and transportation services associated with urbanization.

Regulatory Emphasis on Vehicle Safety

Government regulations and initiatives aimed at enhancing vehicle safety have a significant impact on the UAE tire market. The government places a strong emphasis on road safety, including tire safety. Regulations govern tire quality, safety standards, and labeling requirements to ensure that tires sold in the UAE meet specific criteria for safety and performance. This regulatory framework not only protects consumers but also encourages the adoption of high-quality and safe tires. Additionally, government initiatives include awareness campaigns and educational programs that promote responsible tire maintenance practices and encourage consumers to invest in safe and well-maintained tires.

Tourism and Transportation Industry

The thriving tourism and transportation sectors in the UAE drive the demand for tires, particularly in the commercial and passenger vehicle segments. The country is a global tourism hub, attracting millions of visitors annually. This influx of tourists leads to a substantial demand for transportation services, including taxis, buses, and rental cars, all of which rely heavily on well-maintained tires. The transportation and logistics industry also plays a vital role in the UAE's economy, further contributing to tire demand in the commercial vehicle segment. These sectors not only create a steady market for tires but also require strict adherence to safety and quality standards, emphasizing the importance of reliable and durable tires.

Technological Advancements and Premium Segments

Advancements in tire technology and the growth of the premium tire segment are emerging drivers in the UAE tire market. Consumers are increasingly seeking tires equipped with advanced features such as improved fuel efficiency, reduced noise emissions, enhanced traction, and overall superior performance. Tire manufacturers have responded by investing in research and development to develop innovative tire technologies. These technologies include advanced rubber compounds, innovative

tread patterns, noise-reducing technologies, and materials that reduce rolling resistance to improve fuel efficiency. The UAE's affluent consumer base also exhibits a growing preference for premium and high-performance tires that offer superior grip, handling, and overall road safety. This emphasis on technological advancements and premium segments underscores the importance of quality and performance in the local tire market.

Key Market Challenges

Intense Competition

One of the primary challenges in the UAE tire market is intense competition. The market features a multitude of domestic and international tire manufacturers and brands, each vying for a share of the consumer base. This competitive landscape puts pressure on tire manufacturers and retailers to maintain competitive pricing while ensuring product quality. Price wars can lead to thinner profit margins, affecting the ability to invest in research and development, promote safety, and meet regulatory compliance. The UAE's highly competitive market requires industry players to find innovative ways to differentiate their products and services beyond price, emphasizing quality, safety, and value to consumers.

Currency Exchange Rate Fluctuations

Currency exchange rate fluctuations represent a significant challenge for the UAE tire market, given the country's reliance on imports for a substantial portion of its tire supply. When the UAE dirham weakens against major international currencies, it can lead to increased import costs for tires. These rising costs can result in higher tire prices for consumers and create pricing pressures for tire manufacturers and retailers. Managing currency exchange rate risks and developing strategies to mitigate their impact on pricing and profitability is essential for industry stakeholders.

Counterfeit and Substandard Tires

The presence of counterfeit and substandard tires in the UAE tire market is a substantial challenge. Counterfeit tires, which may not meet safety and quality standards, pose significant risks to consumers and the industry's reputation. These counterfeit products can lead to accidents, vehicle damage, and even fatalities, damaging the trust that consumers place in legitimate tire manufacturers and retailers. Combating the influx of counterfeit and substandard tires requires collaborative efforts

between government authorities and industry stakeholders. Effective enforcement of regulations, regular inspections, and consumer education campaigns are essential to addressing this challenge and ensuring consumer safety.

Regulatory Compliance

Compliance with stringent regulatory requirements poses a challenge for the UAE tire market. Government regulations govern various aspects of tire safety, quality, labeling, and environmental impact. Tire manufacturers and retailers must adhere to these regulations to ensure that tires sold in the UAE meet specific safety and performance criteria. Achieving compliance can be demanding, as it requires investments in sustainable production processes, supply chain management, and adherence to labeling and safety standards. Additionally, keeping up with evolving regulations and ensuring that products consistently meet these standards is an ongoing challenge for the industry.

Environmental Sustainability

Environmental sustainability is an increasingly critical concern for the UAE tire market. While the country has made significant strides in various environmental initiatives, tire disposal and recycling remain challenging issues. Proper disposal of end-of-life tires is essential to mitigate environmental impact, yet achieving compliance with recycling and disposal regulations can be demanding. Tire manufacturers and retailers must invest in sustainable production processes and supply chain management to meet these requirements. Additionally, educating consumers about responsible tire disposal practices is vital for environmental sustainability. Striking a balance between environmental responsibility and operational efficiency is a complex challenge for industry players.

Economic Dependence on Oil

The UAE's economic dependence on oil presents a unique challenge to the tire market. As an oil-exporting nation, the UAE's economy is inherently linked to global oil prices. Fluctuations in oil prices can impact the country's economic stability and consumer spending habits. During periods of low oil prices, consumer confidence may wane, leading to reduced vehicle purchases and deferred maintenance, including tire replacements. This economic dependence on oil underscores the vulnerability of the tire market to global economic factors and necessitates a robust contingency plan for industry stakeholders to navigate economic uncertainties effectively.

Key Market Trends

Growing Automotive Industry

The United Arab Emirates (UAE), renowned for its robust and thriving economy, is supported by its high purchasing power parity, making it a prime destination for business and investment. This economic strength has paved the way for a burgeoning automotive industry within the country, attracting both domestic and international players. As a result, there has been a significant increase in demand for tires across various vehicle categories, including passenger cars, commercial vehicles, and industrial machinery. This surge in demand reflects the growing need for reliable and durable tires to meet the diverse requirements of vehicles traversing the UAE's bustling roads and expanding transportation infrastructure. With the UAE's commitment to sustainable development and innovation, the automotive market is poised for further growth, creating new opportunities and challenges for tire manufacturers and suppliers alike.

Increase in Luxury Vehicles

The United Arab Emirates (UAE), renowned for its affinity for luxury vehicles, is currently witnessing a remarkable surge in the demand for high-performance and high-quality tires. As discerning buyers in the region strive for the utmost in driving experience and safety, premium automobile manufacturers have taken notice and begun specifying the use of specific tire types and brands. This influential trend has significantly impacted the dynamics of the tire market in the UAE, highlighting the importance of catering to the unique needs and preferences of the country's luxury vehicle enthusiasts. With an increasing number of individuals seeking the perfect balance between performance, durability, and style, the tire industry in the UAE is constantly evolving and adapting to meet these demands. As a result, tire manufacturers and retailers are continuously exploring innovative technologies and materials to ensure that drivers can experience the ultimate driving pleasure and safety on the luxurious roads of the UAE.

Ageing Vehicle Fleet

The average age of vehicles on UAE roads is steadily increasing, driven by factors such as improved vehicle durability and changing consumer preferences. As a result, there has been a surge in demand for replacement tires, creating a significant opportunity for

growth in the aftermarket sector. This trend highlights the need for tire manufacturers and retailers to adapt their strategies to meet the evolving needs of consumers and capitalize on the expanding market.

Green Tires

Environmental concerns, such as climate change and sustainability, are playing a significant role in shaping markets worldwide, including the UAE tire market. As consumers become more environmentally conscious, there is a growing demand for "green tires" that not only offer fuel efficiency and shorter stopping distances but also contribute to reducing CO2 emissions, thus aligning with the global efforts to combat climate change and promote a greener future. The tire industry is responding to this demand by investing in research and development to create innovative tire technologies that prioritize both performance and environmental impact. This shift towards eco-friendly tires is not only driving market trends but also reflecting a broader shift towards a more sustainable and responsible approach in various industries.

Online Tire Sales

The rise of e-commerce is transforming the landscape of traditional retail, and this transformation is extending to the tire industry as well. More and more, tire companies are recognizing the potential of online sales and are actively embracing this trend. As customers seek convenience and flexibility in their tire purchasing experience, the internet offers a compelling solution. With just a few clicks, customers can explore a wide range of tire options, compare prices and features, and make informed decisions. This shift towards online tire sales not only provides customers with more choices and competitive pricing but also opens up new opportunities for tire companies to reach a broader audience and expand their market presence.

Government Regulations

In recent years, the UAE tire market has witnessed a notable shift due to the ever-growing emphasis on safety and quality regulations. Recognizing the significance of this aspect, the Emirates Authority for Standardization & Metrology (ESMA) has taken proactive measures to introduce new stringent regulations, aimed at guaranteeing the entry of only high-quality tires into the UAE market.

These new regulations not only impact local tire manufacturers, but also importers who must comply with the standards set by ESMA. As a result, the market dynamics of the

UAE tire industry are evolving, with a renewed focus on ensuring the safety and quality of tires available to consumers. This development underscores the commitment of the UAE authorities to prioritize the well-being and satisfaction of its residents, further solidifying their position as leaders in promoting safety and quality in the automotive sector.

Segmental Insights

Vehicle Type Insights

In the UAE, the tire market exhibits a noticeable variance across different vehicle types. The market for passenger car tires, for instance, dominates due to the high number of personal vehicles and the nation's fondness for luxury and sports cars. This can be attributed to the affluent lifestyle and the desire for top-notch performance and comfort.

Moreover, sectors such as light commercial vehicles and heavy trucks also contribute significantly to the tire market, driven by the robust construction and logistics sectors in the region. The demand for durable and reliable tires remains consistently high in these segments, ensuring smooth operations and efficient transportation.

Furthermore, the off-road vehicle tire segment witnesses steady demand, fueled by the popularity of desert safari activities and the vibrant off-roading culture prevalent in the UAE. Enthusiasts and adventure-seekers alike indulge in thrilling off-road expeditions, necessitating reliable and rugged tires that can withstand the challenging desert terrains.

Overall, the tire market in the UAE reflects a diverse landscape, catering to the specific needs and preferences of various vehicle types and industries.

Tire Construction Type Insights

The UAE tire market can be segmented based on tire construction type into radial and bias tires. In recent years, radial tires have gained prominence owing to their superior features such as durability, fuel efficiency, and enhanced performance under high-speed conditions. These tires are constructed with steel belts placed at a 90-degree angle to the tread center line which allows for more flexibility and better ground contact. On the other hand, bias tires, though less prevalent, are preferred for their robust construction and ability to withstand heavy loads, making them suitable for commercial and industrial vehicles.

Regional Insights

The tire market in the United Arab Emirates (UAE) exhibits robust growth, driven by the country's thriving automotive industry and favorable government policies. The market is characterized by a blend of both local and international players, who are investing in advanced technologies and innovative designs to cater to the evolving consumer preferences. The increasing demand for high-performance and fuel-efficient vehicles in UAE is further contributing to the expansion of the tire market. Government initiatives promoting the use of eco-friendly and sustainable products are also expected to shape the market trends in the coming years.

Key Market Players

Bridgestone Corporation

Continental AG

Goodyear Tire & Rubber Company

Sumitomo Rubber Industries Ltd

Michelin Group

Pirelli & C. S.p.A.

Yokohama Rubber Company Limited

Kumho Tire Co. Inc.

Report Scope:

In this report, the UAE Tire Market has been segmented into the following categories, in addition to the industry trends which have also been detailed below:

UAE Tire Market, By Vehicle Type:

Passenger Car

Light Commercial Vehicle (LCV)

Medium & Heavy Commercial Vehicles (M&HCV)

Off-the-Road Vehicles (OTR)

Two-Wheelers

Three-Wheelers

UAE Tire Market, By Tire Construction Type:

Radial

Bias

UAE Tire Market, By Demand Category:

OEM

Replacement

UAE Tire Market, By Region:

Abu Dhabi

Dubai

Sharjah

Rest of UAE

Competitive Landscape

Company Profiles: Detailed analysis of the major companies present in the UAE Tire Market.

Available Customizations:

UAE Used Car Market By Vehicle Type (Hatchback, Sedan, and Sports Utility Vehicle (SUV) and Multi-Purpose Vehi...

UAE Tire Market report with the given market data, Tech Sci Research offers customizations according to a company's specific needs. The following customization options are available for the report:

Company Information

Detailed analysis and profiling of additional market players (up to five).

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