



# A CLASS APART

Glasgow Consulting Group's data shows how different the UAE market is compared to the rest of the world

**G**lasgow Consulting Group (GCG) has analysed the car market in UAE over the past 10 year's data and this has revealed an interesting picture which is markedly different from the scenario across other parts of the world.

Globally the car sales data shows higher percentage of Saloon/Sedan vehicles around 40% to 45% and SUVs around 20% to 30% depending on the country, however the UAE data showed the exact reverse data where SUVs dominate with 40% to 45% and Saloon/Sedan around 35%, the remaining accounted by Vans, MPVs, etc.

GCG analysis by body type of cars and size of cars in UAE revealed that SUVs dominate and the sub-compact SUVs are growing fast particularly among younger drivers. The SUV group definition is becoming more and more blurred and quite often does not show the real picture- 4x2 v 4x4, off road capability, size, crossovers etc.

The UAE passenger car VIO (vehicles in operation) of cars with age not more than 10 years is approximately 3 million and SUVs account for 43% of this. A look at the top 10 models

As still one of the most prosperous economic regions in the world, the Middle East attracts all automotive manufacturers. The major manufacturers develop models specifically for the Middle East which has the most potential of any region or is probably currently their biggest SUV market.

The UAE is not too dissimilar to other ME countries in respect of SUVs versus saloon cars. While luxurious sports cars and executive saloons still target the most affluent individuals, SUVs are the car of choice for most car owners. It is a lucrative market from small SUVs to the large all-terrain SUVs and so advertising and marketing spend is higher than average and probably higher than for saloon cars. The UAE, and Middle East generally, remains a region where motor vehicles are a key purchase and essential, making the buying

choice a very informed decision and vehicles are more important than in other countries. ME countries generally have some challenging natural terrain and so an SUV is often seen as essential, although this aspect is gradually changing.

At the same time, the UAE's and Middle East's climate and geography generally often means drivers are driving in hot and humid conditions which makes a large dependable vehicle with air-conditioning, cruise control and in-car entertainment etc highly desirable plus the perceived greater safety and high driving position

In contrast to the US and Europe, SUV sales also take a larger market share as fuel prices are less of an issue, off roading is still allowed and needed in some countries, and families tend to be larger in number. SUVs are seen as safer vehicles particularly in a crash. Full specification SUVs are affordable to the locals and the expats tend to purchase mid-range specs. Cheaper credit is becoming a key player for the smaller SUVs." ●



**NEXT ISSUE: FULL COVERAGE FROM THIS YEAR'S TRUCK&FLEET MIDDLE EAST CONFERENCE IN DUBAI, AND MUCH MORE!**

