

INSIGHTS ON THE MIDDLE EAST MOBILITY MARKET

Berylls by AlixPartners Study

AUGUST 2025



EXECUTIVE SUMMARY OF MIDDLE EAST MOBILITY MARKET



1

GENERAL MARKET

The KSA and UAE markets are experiencing moderate growth, with established importer groups maintaining dominant positions. Chinese manufacturers are increasingly entering these markets to capitalize on evolving global political dynamics.

2

OMNI-CHANNEL

The Middle East automotive market is highly digital, relationship-oriented, and heterogeneous, requiring brands to adopt a comprehensive omni-channel approach and tailor their offerings to the unique cultural and consumer preferences in the region.

3

ELECTRIC VEHICLES

Although electric vehicle adoption remains modest, steady growth is evident. Principal barriers for an EV uptake include insufficient charging infrastructure, consumer range anxiety, and concerns over low residual values of used EVs.

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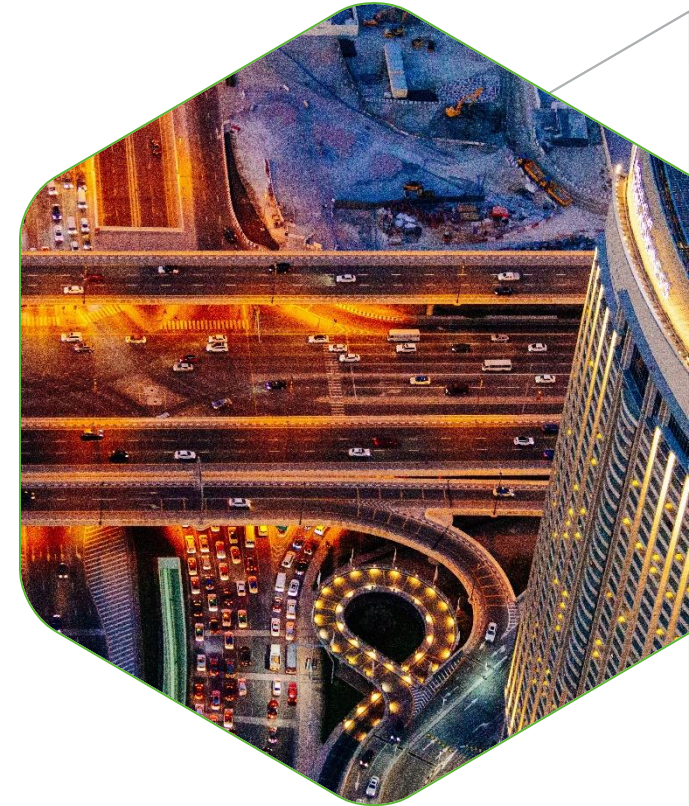
MOBILITY & FINANCIAL SERVICES

Approximately 75% of vehicles in both markets are financed, yet the end-2-end customer journey is not fully digitized, presenting a substantial opportunity for automotive dealers. Prioritizing digitalization and forging partnerships with financial institutions will drive higher conversion rates and improve profit margins. Integrated, flexible, and digital mobility solutions are gaining importance amongst flexibility-oriented customers.

5

USED CAR MARKET

The used car market is highly fragmented, non-transparent and lacks standardization; nonetheless, current momentum presents considerable opportunities for structured pre-owned programs, integrated financing solutions, with additions to the used car fleet from returning leasing/ rental vehicles of emerging Chinese OEMs.



NAVIGATING ONLINE AUTOMOTIVE SALES:

"Despite heavy investments, OEMs are facing the challenge to sell cars online – mainly due to low customer awareness."



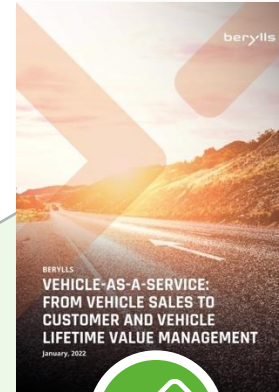
OPTIMIZING THE ELECTRIC VEHICLE BUYING PROCESS:

"Test drives play a crucial role to convince BEV prospects in all markets"



VEHICLE- AS-A-SERVICE:

"Radical product innovation with electric and autonomous vehicles and new customer demands fundamentally change the sales model."



BERYLLS BY ALIXPARTNERS HAS DEVELOPED SEVERAL PERSPECTIVES ON MARKET TRENDS IN THE REGION – FOR A DEEPER UNDERSTANDING OF RECENT SHIFTS IN THE AUTOMOTIVE LANDSCAPE, ACCESS OUR LATEST PUBLICATIONS.

Source: Berylls by AlixPartners



CHRISTOPHER LEY
Partner
Berylls by AlixPartners

WE EXTENSIVELY ANALYZED car buyer behavior in Saudi Arabia (KSA) and the United Arab Emirates (UAE) in the recent study "Navigating Online Automotive Sales".

KSA AND THE UAE rank globally amongst the most digitally advanced countries – however prospective car buyers still value physical touchpoints.

THE PROBABILITY OF using an online channel varies depending on the stage of the customer journey. In the following pages, we will explore the underlying reasons behind the varying online-readiness of customers in KSA and the UAE.



1 GENERAL MARKET



PHILIPP PESEK

Senior Consultant
Berylls by AlixPartners

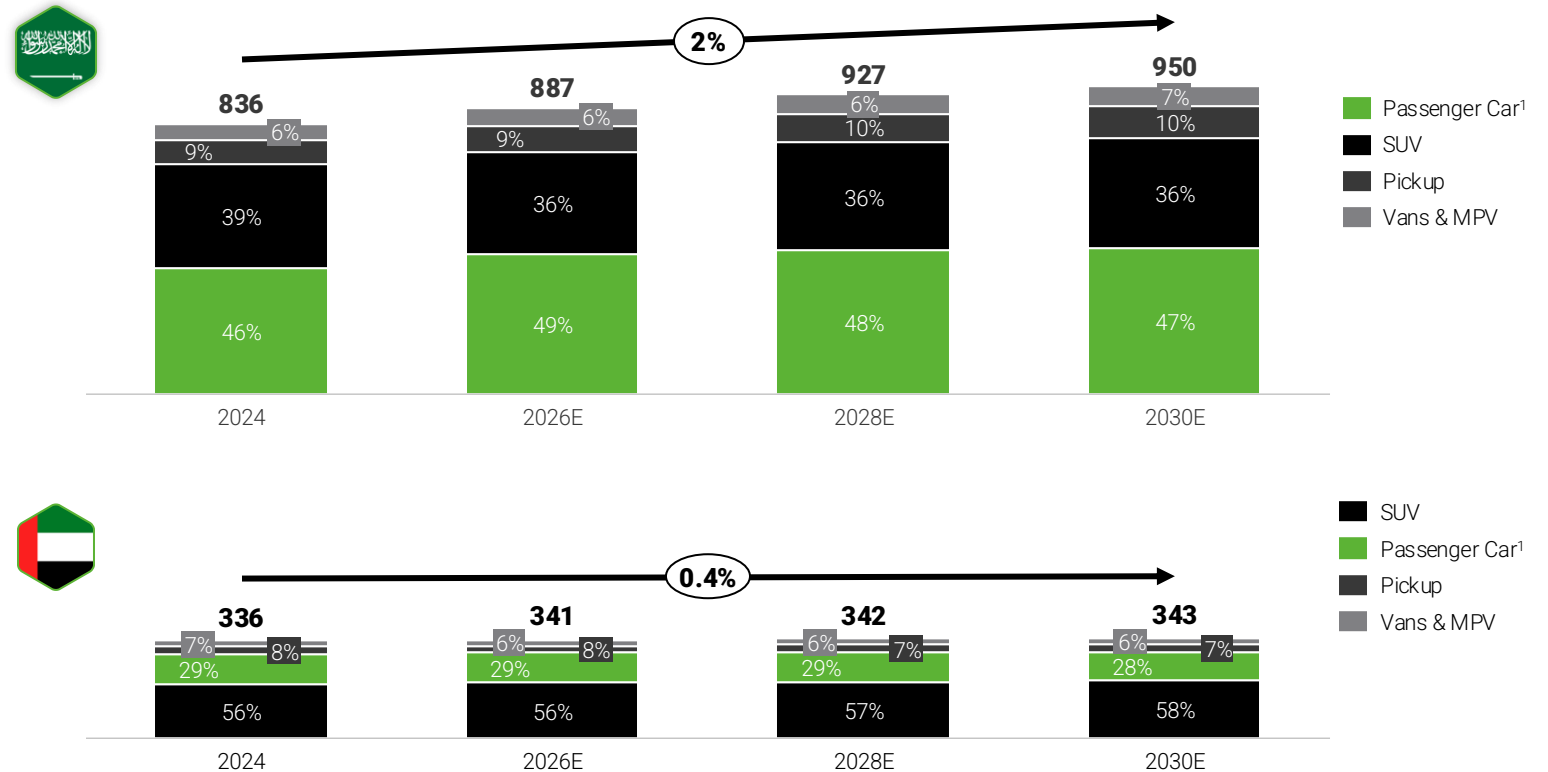
THE SAUDI AND UAE markets are expected to show low volatility regarding the development of vehicle segment shares in the future. In both markets the SUV and passenger car segment account for 85% of the registration volume, while the UAE market exhibits a higher dominance of SUVs.

BOTH MARKETS EXHIBIT only moderate vehicle volume growth through 2030, signaling maturity and limited organic expansion. This implies that future growth will likely depend on value-added services, EV adoption, or aftermarket strategies rather than volume alone.



GROWTH RATES IN THE REGION ARE STEADY – SUVS AND NORMAL PASSENGER CARS DOMINATING VEHICLE SEGMENTS

LIGHT VEHICLE SALES VOLUME BY SEGMENT (NEW CAR UNITS, THOUSANDS)



1) Including hatchback, sedan, and others
Source: IHS, AlixPartners, Berylls by AlixPartners

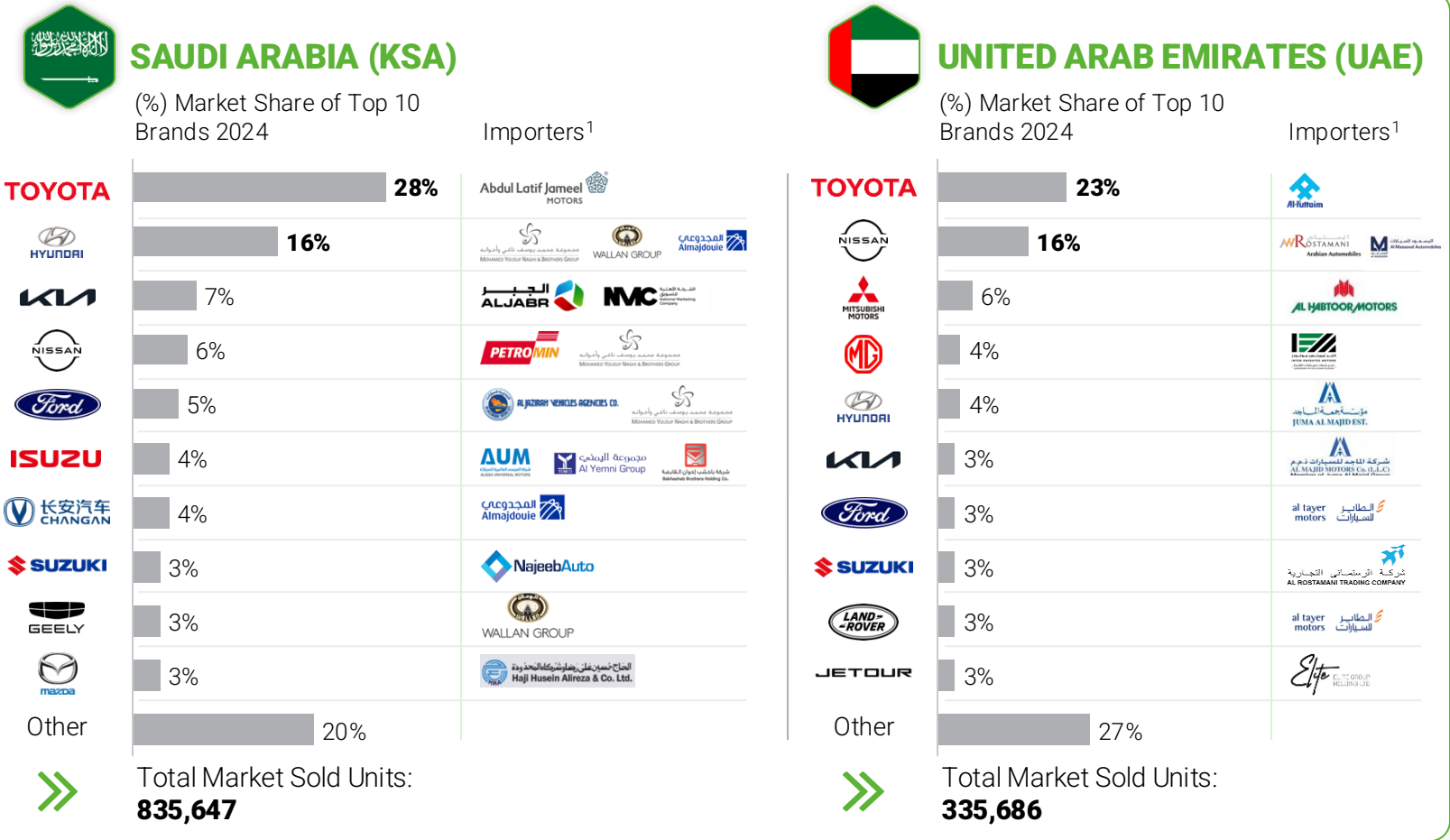
THE DISTRIBUTION MODEL IN THE REGION IS
UNIQUE AS NEARLY ALL OEMS RELY ON FEW IMPORTER
GROUPS REPRESENTING MULTIPLE BRANDS



MICHAEL DUEMIG
Associate Partner
Berylls by AlixPartners

IN BOTH KSA and the UAE, the automotive distribution landscape is dominated by a handful of large distributors, often family-owned groups that control vast franchise portfolios and shape market access, pricing and after-sales standards across nearly all major brands.

OVER THE PAST decades, there have been several waves of market entrants from abroad (e.g., Korea, Japan). Today, Chinese manufacturers start to move in, leveraging competitive pricing and tailored feature sets. For example, Jetour was launched in the UAE only two years ago and has already climbed into the top 10 best-selling brands. This signals how newcomers can quickly gain scale with unique value propositions based on the relatively low customer loyalty. Likewise, new local OEMs emerge (e.g., Ceer in KSA).



1) Selection
Source: S&P Light Vehicle Sales 2025, Berylls by AlixPartners

Abdul Latif Jameel
MOTORS

TAREK SEADA

Director Digital & Connected
Experience
Abdul Latif Jameel Motors

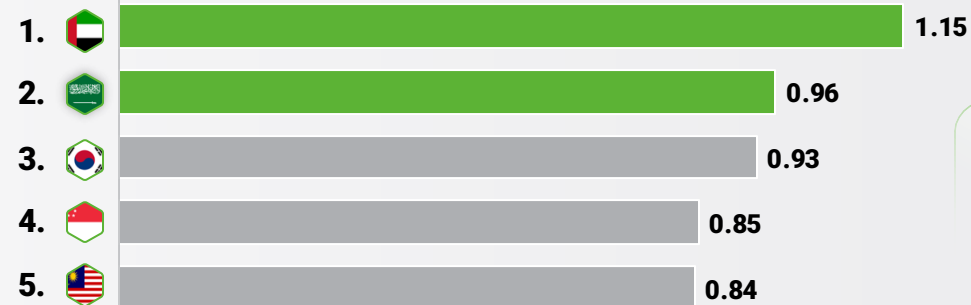
WHILE DIGITAL TOOLS are increasingly integrated into the customer journey, many buyers still seek in-person engagement. However, with evolving agentic AI and its integration into daily life, consumer confidence in a fully digital journey will further increase and likewise, the importance of physical touchpoints will gradually be reduced.

CUSTOMERS EXPECT A unified experience across digital and physical platforms. Any disconnect in the journey such as inconsistent information, or a lack of continuity can lead to frustration and potential loss of interest.

IN MARKETS WHERE vehicle availability is a priority, the ability to access vehicles quickly often outweighs other considerations. Ensuring transparent and responsive inventory management is therefore critical to meeting customer expectations.

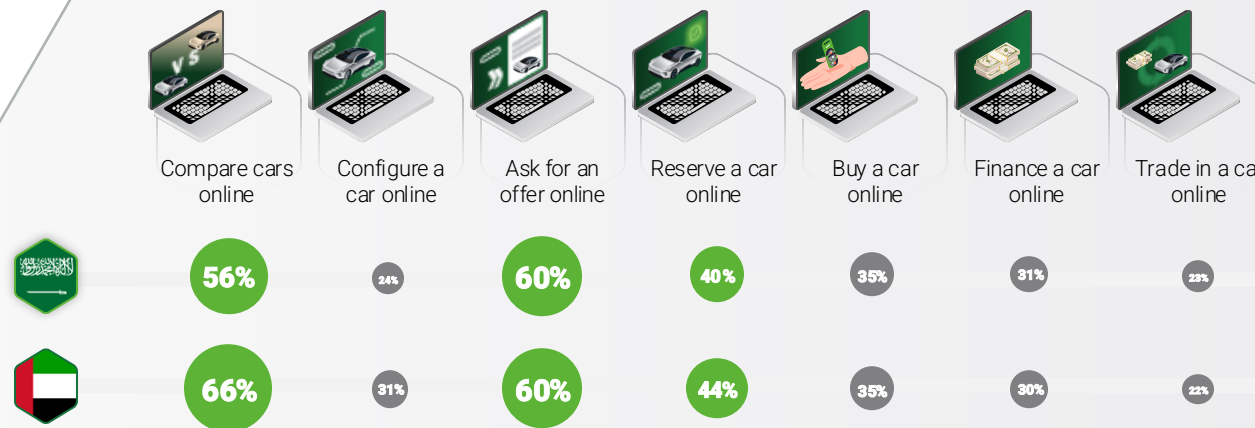


SOCIAL MEDIA ACCOUNTS PER INHABITANT¹



High degree
of digitalization
of societies in
KSA & the UAE

SHARE OF CUSTOMERS USING ONLINE TOOLS ACROSS THE JOURNEY



Customers
still tend to seek
for physical touch-
points along
their purchasing
journey

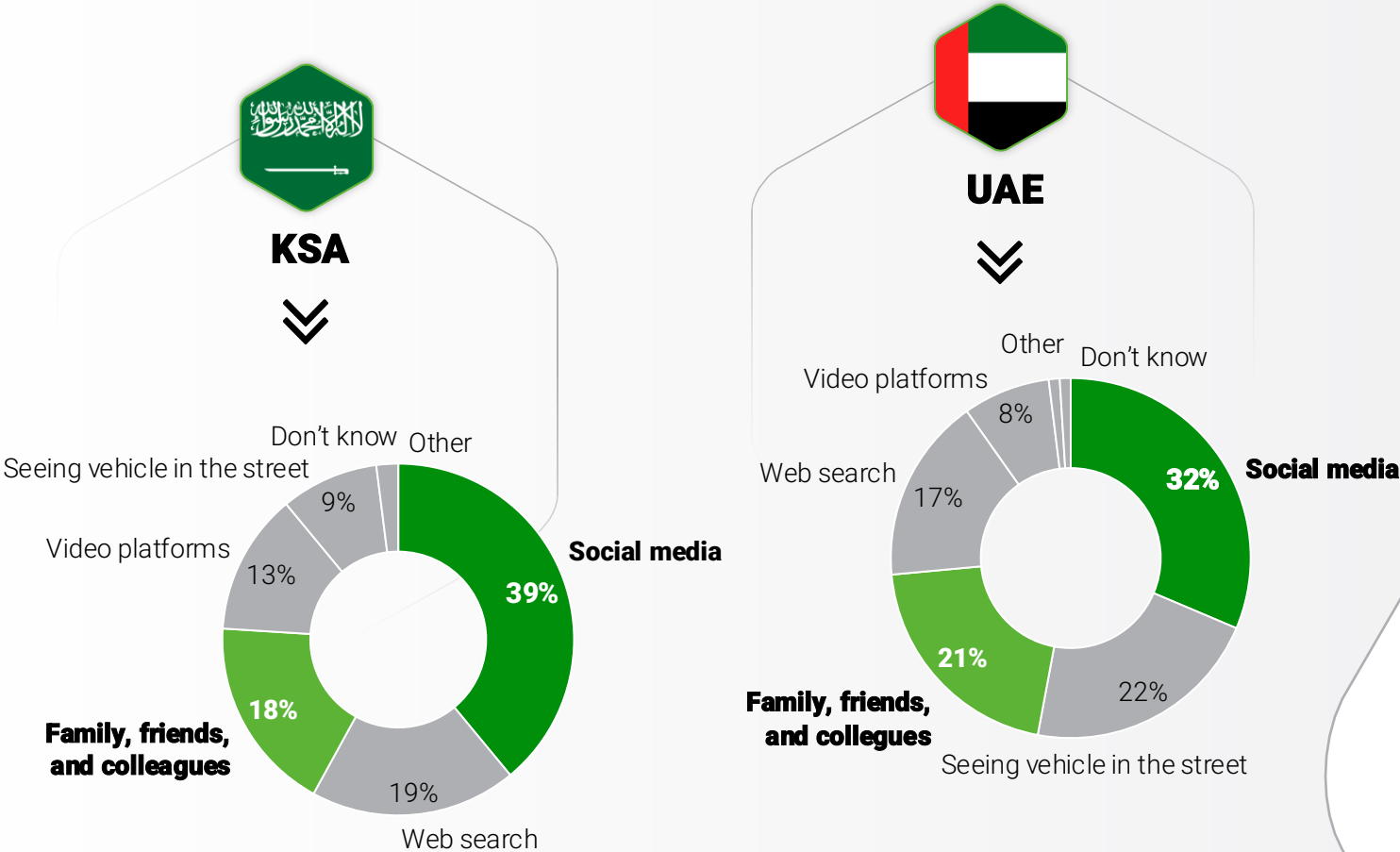
WHILE KSA AND THE UAE EXHIBIT SOME OF THE MOST DIGITAL-SAVVY CUSTOMERS, THEY STILL COUNT ON WORD-OF-MOUTH AND PHYSICAL TOUCHPOINTS IN THE CAR BUYING JOURNEY

1) Penetration >1: multiple social media accounts per inhabitant

Source: Berylls by AlixPartners, Statista, Berylls Study: Navigating online automotive sales (n= 800); Size of ball symbolizes weight of outcome (%).

SOCIAL MEDIA CHANNELS AS WELL AS CLOSE SOCIAL CONTACTS DRIVE MORE THAN 50% OF THE EARLY SALES FUNNEL DECISIONS OF AUTOMOTIVE CUSTOMERS

MAIN SOURCES FOR GATHERING GENERAL INFORMATION ABOUT CARS



VICTOR DALMAU
Chief Operating Officer
Al Nabooda Automobiles

OVERALL, THE MIDDLE EAST automotive market is highly digital, relationship-oriented, and heterogeneous, requiring brands to adopt a comprehensive omni-channel approach and tailor their offerings to unique cultural and consumer preferences in the region.

CONSUMERS IN THE MIDDLE EAST are more influenced by what they see on the streets, hear from family members, or encounter via social media influencers. These informal channels often outweigh traditional brand-driven sources in shaping consumer preferences.

WORD-OF-MOUTH REMAINS a dominant force in the region. Recommendations from trusted individuals, especially those from the same background, carry significant weight in the decision-making process.



Source: Berylls by AlixPartners & Civey, 2024, UAE (n= 500) and KSA (n= 300)



DR. HAMID HAQPARWAR

Chief Executive Officer
AGMC | BMW Group Brands

EVEN THOUGH KSA AND THE UAE rank among the most advanced countries with regards to digital proficiency and competitiveness, prospective car buyers still value physical touchpoints such as a test drive or negotiation in the showroom.

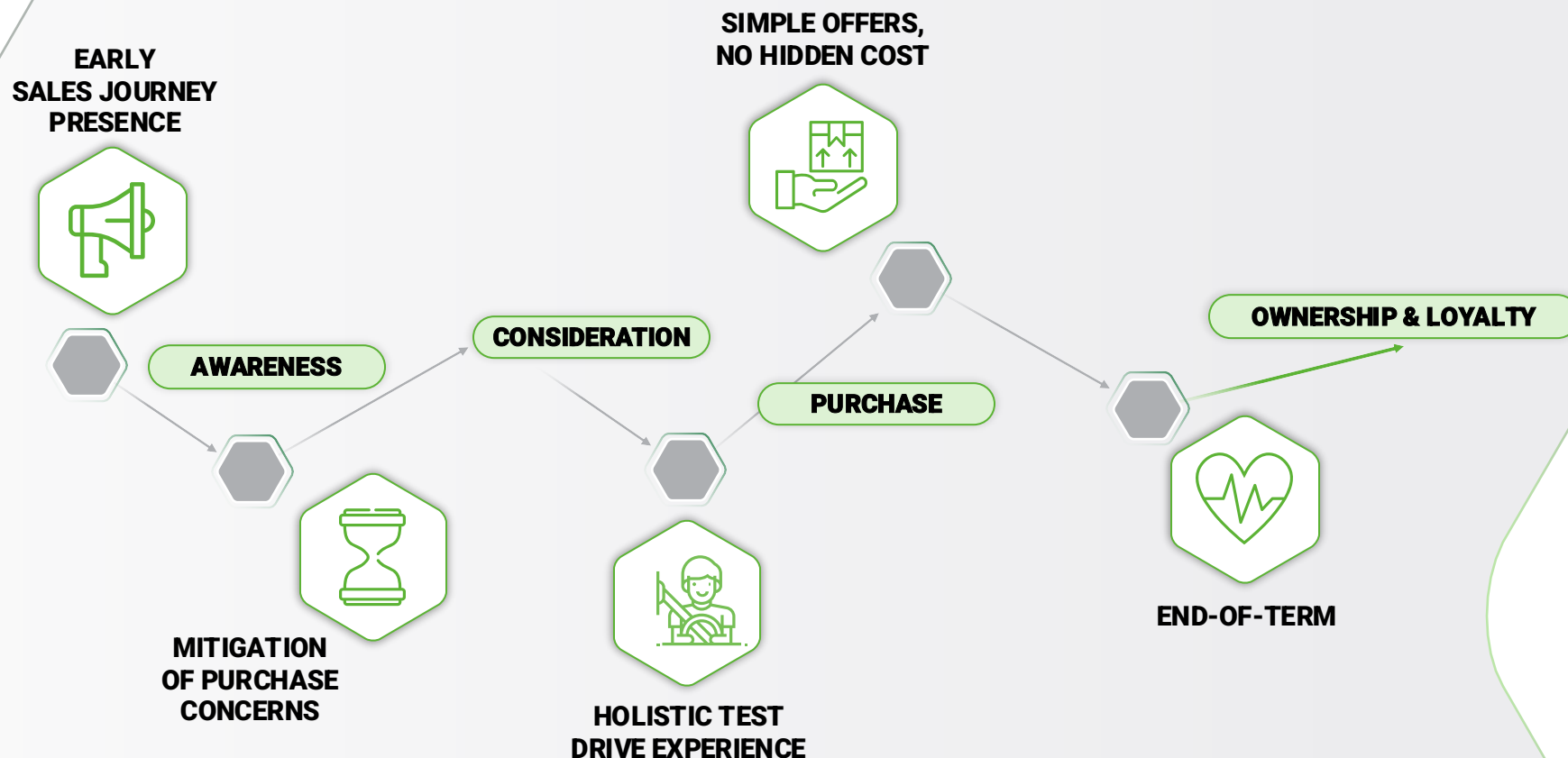
THE ACTUAL PURCHASE process still involves a mix of online and offline channels, with a strong emphasis on word-of-mouth and in-person experiences. Customers often begin their journey online but rely on trusted social circles and showroom visits to validate their decisions.

CUSTOMERS ARE HIGHLY knowledgeable before visiting showrooms, but the human interaction and test drives are crucial. These offline moments create an emotional connection and trust, which are essential for final purchase decisions, especially in the premium segment.



A FULL OMNI-CHANNEL EXPERIENCE MUST BE IMPLEMENTED TO SUCCESSFULLY ADDRESS CUSTOMER BEHAVIOUR AND EFFICIENTLY GENERATE LEADS

CUSTOMER JOURNEY INVOLVES CRITICAL CONVERSION MOMENTS BOTH ON- AND OFFLINE



WINNING IN KSA & THE UAE MEANS MASTERING AVAILABILITY, PERSONALIZATION, AND PREMIUM SERVICE – WHERE LOYALTY IS EARNED THROUGH TAILORED EXPERIENCES AND “WOW MOMENTS”

Tailor **offerings & communication to ethnical & cultural backgrounds** while building **bespoke experiences** for diverse **high-net-worth** individuals.

Utilize **CRM tools** like surprise gifts, or customer retention tools like service packages, and extended warranties **to boost loyalty.**

Ensure **immediate availability of the latest models** through optimized **stock management.**

Create **'WOW moments'** by seamlessly blending digital convenience with premium in-showroom experiences, tailored to individual customer preferences.



ALI GARGASH

Deputy General Manager
Gargash Enterprises LLC



THOMAS SCHULZ

General Manager
Gargash Enterprises LLC

CUSTOMER LOYALTY IN the UAE's premium market is increasingly earned through personalized, culturally tailored experiences and CRM-driven engagement on top of the brand.

SUCCESS HINGES ON immediate vehicle availability and optimized stock management, as customers prioritize convenience and often abandon purchases with vehicle unavailability.

THE UAE'S LUXURY CAR MARKET is uniquely shaped by a highly segmented customer base—ranging from brand-loyal Emiratis to expat groups with diverse backgrounds and personas — requiring tailored approaches for each group.





PHILIPP PESEK

Senior Consultant
Berylls by AlixPartners

EV ADOPTION REMAINS LIMITED, which may result in falling behind ambitious sustainability targets like KSA's 30% EV adoption goal for Riyadh. A key regional barrier for EV adoption is insufficient charging infrastructure, averaging 26 BEVs per charger in the UAE and 48 in KSA.

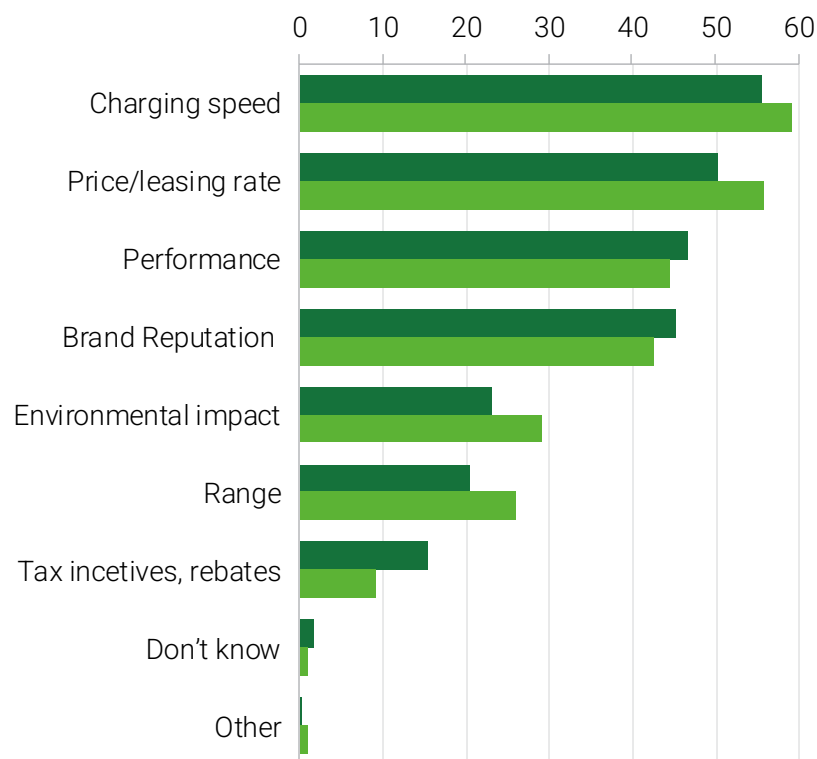
THE TOTAL COST of ownership (TCO) of BEVs, especially in KSA, presents less of a financial incentive for consumers when compared to ICE models. Depending on the charging provider and charging speed, the costs per 100 km to power a BEV are twice as high as those for gasoline in KSA.

INCENTIVES WILL BE KEY, as seen in Norway, where BEV adoption exceeded 80% of sales volume in 2024. This was driven, in part, by enhancing the charging infrastructure as well as keeping TCO of BEV models attractive.

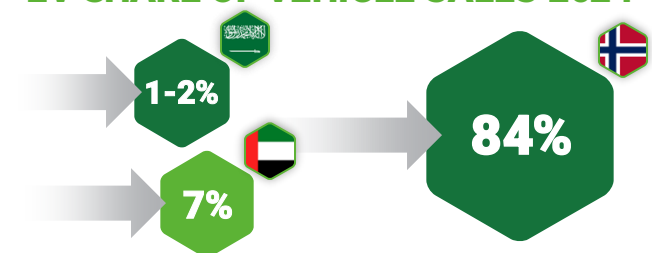


EV ADOPTION IS STILL LOW BUT SLOWLY PICKING UP AS THE COUNTRIES ARE STILL IN THE MIDST OF DEVELOPING ADEQUATE INFRASTRUCTURE

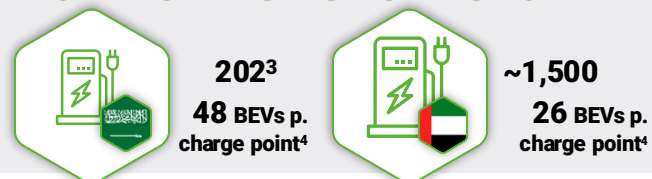
MAIN CONSIDERATIONS WHEN BUYING AN EV 2024¹



EV SHARE OF VEHICLE SALES 2024²



TOTAL CHARGING POINTS 2024



GASOLINE VS. ELECTRICITY PRICES (per 100 km⁵)



1) % of surveyed group, 2) comprised of BEV incl. range extender, 3) 101 charging stations in KSA – assumption each charging station provides two charging points, 4) based on total BEV sold 2020-2024, 5) USD per 100km 2025, avg. Gasoline per liter / kWh at CS converted into USD (KSA 0.53 / 0.62; UAE 0.67 / 0.26; GER 1.89 / 0.77), avg. consumption Gas: 7.0l/100km; EV: 18kWh/100; 6) neglecting selected free charging stations. Source: Berylls by AlixPartners & Civey, 2024 (n = 800), EV Power, Statista, LeasePlan, Yallamotor, GlobalPetrolPrices

TO DRIVE EV ADOPTION IN KSA AND THE UAE, ENGAGEMENT FROM FIRST POINT OF CONTACT TO EXPERIENTIAL TEST DRIVES IS CRUCIAL TO REALIZE CONVERSION



HASAN NERGIZ
Managing Director
Al Futtaim Electric

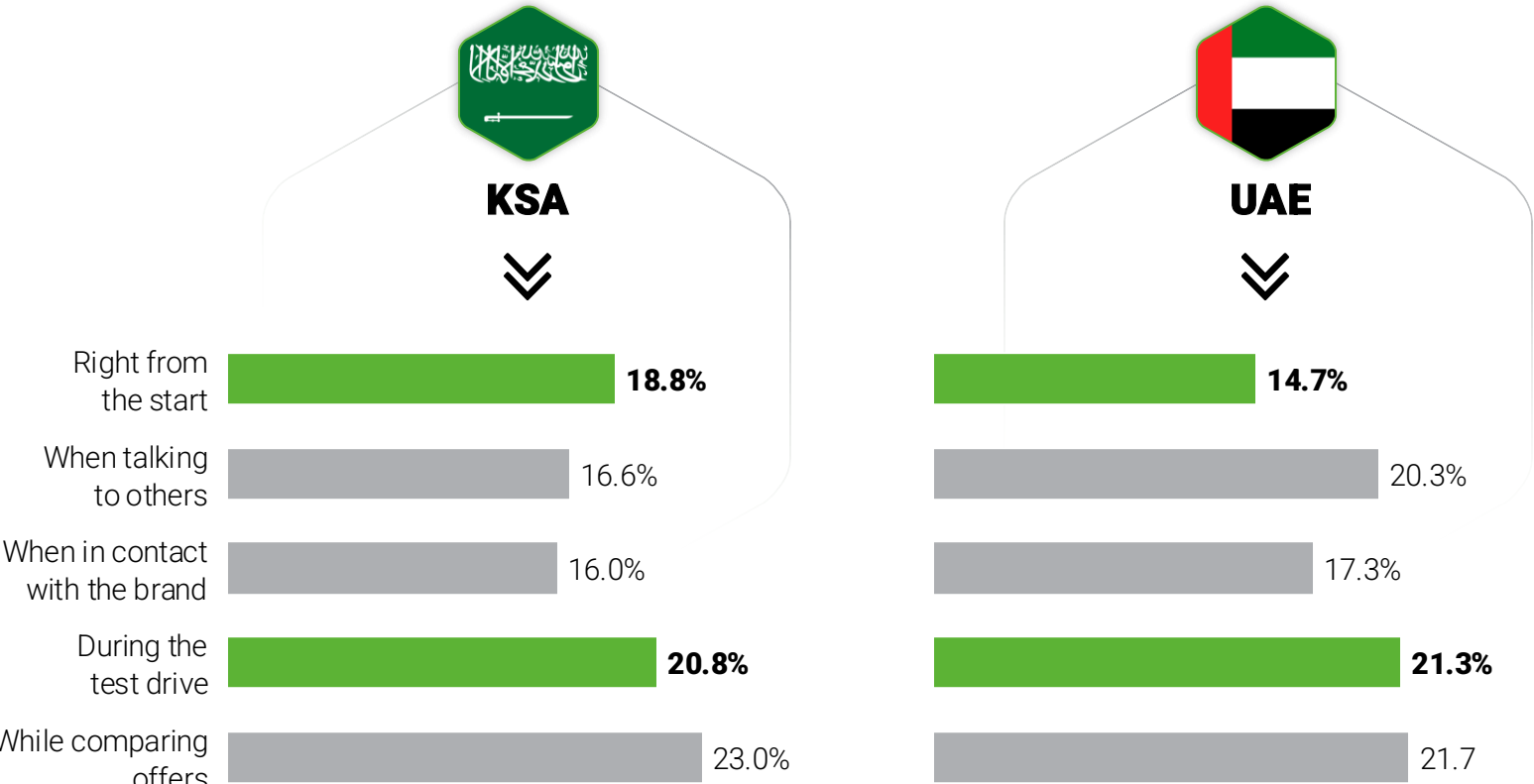
BEV CUSTOMERS typically decide on an EV either before entering the dealership or are convinced during a test drive. Additionally, PHEV buyers want to gradually move into electromobility, still maintaining flexibility. Nearly all PHEV buyers were switching from traditional gasoline cars.

PHEVS HAVE DRIVEN exponential growth in the UAE, serving as a practical and psychological entry point into electrification, especially for daily commutes, which PHEVs can cover in full electric mode.

WHILE BEV ADOPTION is growing, PHEVs are expected to dominate the transition phase in both KSA and the UAE due to infrastructure limitations, range anxiety, and the flexibility they offer consumers, particularly in vast geographies like KSA.



POINT OF CUSTOMER DECISION FOR A BEV VEHICLE



Source: Berylls by AlixPartners & Civey, 2024, UAE (n= 500) and KSA (n= 300)



VOLKER BOEHME

Chief Executive Officer & GM
Al Futtaim Financial Services

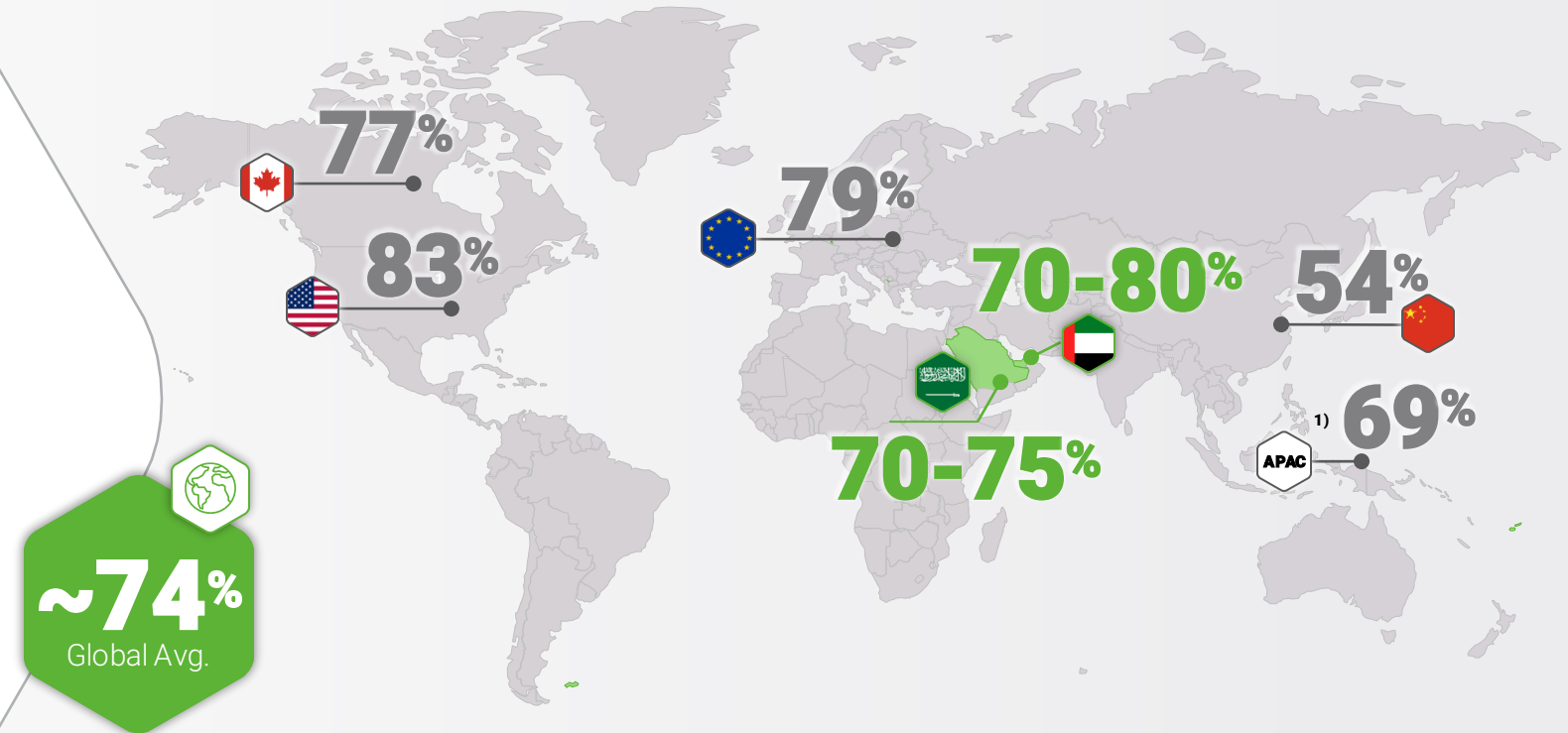
THE FINANCING MARKET in KSA and the UAE is crucial, with over 70-80% of vehicles being financed. In KSA, vehicle ownership with higher purchase products in retail finance remains the dominant financing model, while in the UAE, the high expat population drives demand for more flexible, short-term mobility solutions.

LEASING IN THE REGION is not yet as widespread as it is in Europe. It is expected to grow, like it has evolved in Europe, but at a probably faster pace due to changing consumer behavior and market dynamics.

KSA IS MOVING toward greater transparency and efficiency, with potential for lead-auction systems and centralized financing platforms. Tourism and Vision 2030 in KSA are expected to increase demand for rental and mobility services.



FINANCIAL SERVICE PRODUCT SHARE OF SOLD CARS BY COUNTRY



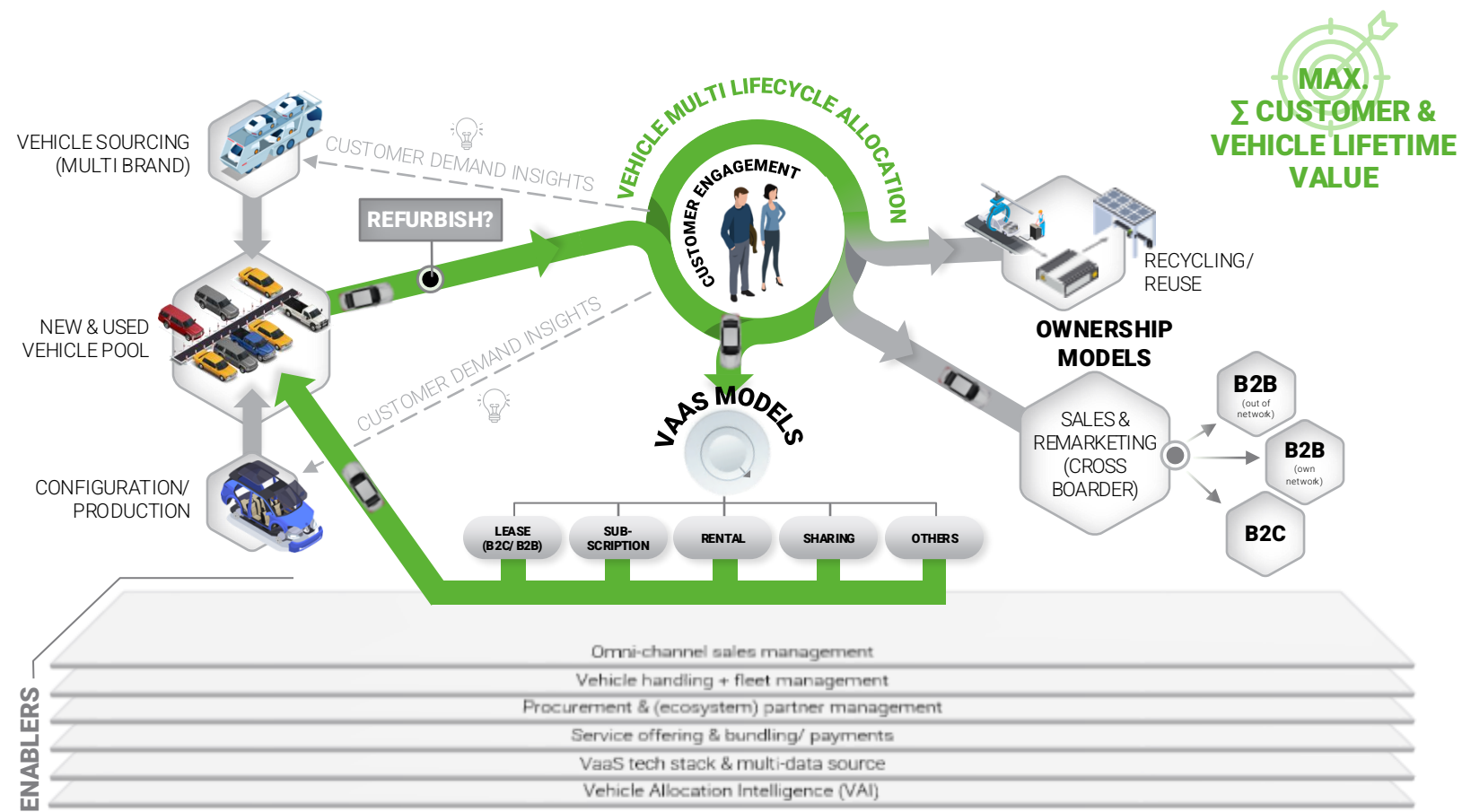
CAR FINANCING IN KSA AND THE UAE IS AT LEAST AS RELEVANT AS IN ALL MAJOR GLOBAL AUTO REGIONS – WHILE NON-OWNERSHIP MODELS SUCH AS LEASING ARE STILL IN EARLY STAGES

1) APAC excl. China

Source: Berylls Vaas Market Model, Experian, J.D. Power, Berylls by AlixPartners

FOR DEALERS IT IS CRUCIAL TO PLAY A KEY ROLE WITHIN THE FINANCIAL SERVICES CUSTOMER JOURNEY TO RETAIN CUSTOMER DATA AND LEVERAGE FINANCIAL SERVICE OFFERINGS

CUSTOMER JOURNEY AFTER CONTRACT SIGNATURE IN KSA & THE UAE



ALEXANDER MAAS
Director
MaaS Advisors

IN KSA, THE FINANCING MARKET is fragmented and bank-dominated, while dealers have limited control over the process. The financing experience in the UAE is more integrated, where dealers are playing a stronger role in managing the customer journey and maintaining margin control.

DEALERS NEED TO control the digital marketplace, enabling them to choose which banks and leasing companies to work with, retain customer data and journey control, and maximize referral and commission revenue.

IF BANKS BECOME too strong in direct-to-consumer lending, dealers risk being cut out of the value chain.





SANAA OUAHMANE

Chief Executive Officer
AWR Mobility & AWR Trading

INTEGRATED MOBILITY PLATFORMS that combine rental, leasing, and subscription services are essential for success, especially when tailored to the UAE's diverse customer base, including expats, tourists, and short-term residents who demand convenience, speed, adaptability, and a digital offering.

SUBSCRIPTION-BASED MOBILITY is driven by customer demand for flexibility and low commitment, which is reflected in offerings that include no termination clauses, vehicle swapping options, and pricing flexibility.

CAR SHARING OFFERINGS remain limited in the UAE due to short travel distances, high operational costs, and the availability of alternatives like ride-hailing, making it a less viable standalone model.



THE MOBILITY MARKET IS SHIFTING TOWARDS FLEXIBLE MOBILITY SOLUTIONS – AN INTEGRATED OFFERING WILL SUCCESSFULLY ADDRESS A DIVERSE CUSTOMER BASE AS ONE-STOP-SHOP

MOBILITY MARKET TRENDS

The car rental and leasing market in the UAE has seen **double digit fleet growth** over the last years, reaching an estimated **~180,000 vehicles in 2024**.

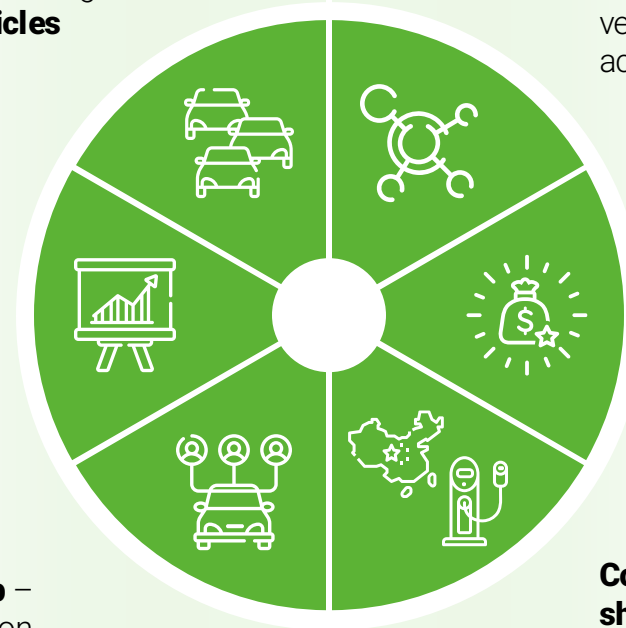
The **mobility market will continue to show growth** in the coming years, with **significant contribution** from the **car subscription** segment.

From ownership to usership – the rise of leasing, subscription and rental is changing purchase behavior and decisions.

Mobility as a Service eco-system is being created for digital access to mobility services (multi-modality, e.g., vehicle, bus, ride-hailing), also including access to IoT capabilities.

Subscription customers show **low loyalty** and are prone to **switch providers for small price** differences.

Consumer demand is shifting to EVs/Hybrids, SUV/Crossover and Chinese OEMs.



THE USED CAR MARKET OF TODAY IS FRAGMENTED AND NOT STANDARDIZED, STILL PROVIDING MULTIPLE OPPORTUNITIES FOR DEALERS AND 3RD PARTIES

Today, the **volumes of used car and new car transactions** in the UAE are **in balance**, with customers steadily looking for used cars.

The sourcing of used cars remains a challenge as typical sourcing formats (e.g., **auctions, trade-ins**) are yet to be established – rental and leasing companies **dominate** the **used car supply** through **fleet disposal**.

The absence of integrated financing offers and used car programs provides future opportunities for distributors (e.g., certified pre-owned and dealer-led remarketing) & banks (e.g., used car financing).

Chinese brands entering the UAE market will feed the used car market in the next 3 years and influence residual values due to lower initial price points.



CRAIG STEVENS

Chief Executive Officer
Dubicars

IN THE UAE, the used car dealership landscape is very fragmented with small- to medium-sized independent used car dealers dominating the market. Short-term consolidation of used car dealers is unlikely to happen.

THE USED CAR MARKET is unstructured and not standardized as no used car index and overarching dealer association exist. Limited and heterogeneous data coverage of the used car market implies a lack of transparency on residual values, which hinders banks to engage in used car financing offers.

THE USED CAR CHANNEL is mainly fed through returns from big franchise groups and/ or de-fleeting of the rental channel. New market entrants with their own retail setup will contribute to future used car volumes.





CONCLUSION

1

Digital influence on the purchasing process is steadily growing – offline touchpoints are still highly appreciated. A true omni-channel mix is required to successfully guide a customer through the customer journey.

2

The EV adoption rate is still low with the UAE dominating the Middle East region. Further EV adoption will depend on governmental incentives, offered product portfolios, and public infrastructure (availability and speed of charge).

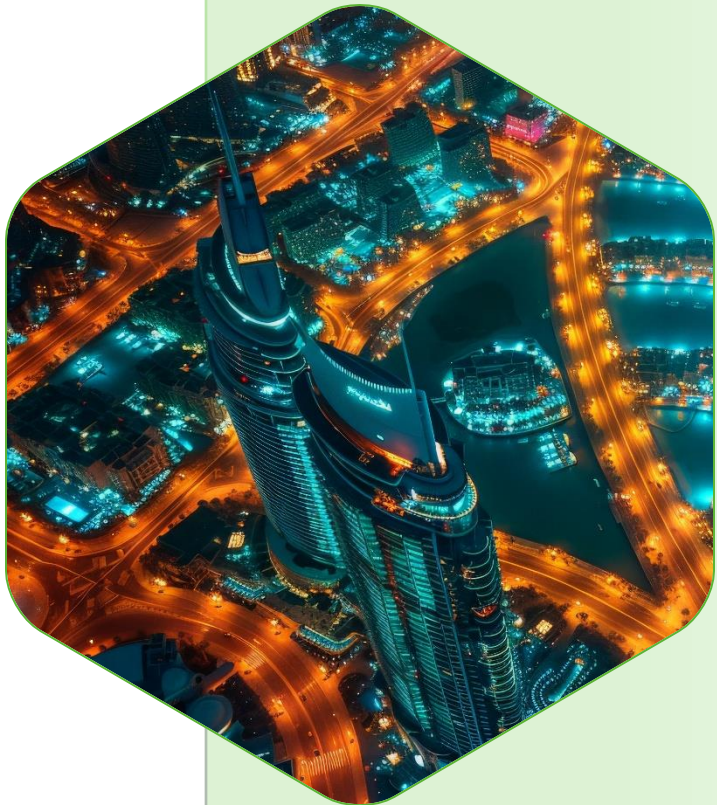
3

Significant business opportunities lie in flexible mobility offerings for expats (~89% of the UAE population) and untapped margins for dealers to participate actively in the financing process.

4

The used car market in KSA and the UAE is not yet fully developed, offering significant potential for integrated financing offers and used car programs.

**KSA and
the UAE will be one
of the most exciting
global mobility
markets in the next
5 YEARS**



OUR INSIGHTS: MOBILITY IN MIDDLE EAST

If you are interested in learning more about the future of mobility in the Middle East, please reach out to us to receive our proprietary research and insights covering various aspects of the automotive value chain.



**TALK TO US TO
DISCUSS THE FUTURE
OF MOBILITY IN
THE MIDDLE EAST**

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