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Shift to Electric Vehicles-How will it impact GCC Automobiles sector

GCC Electric Vehicles Growth & Demand

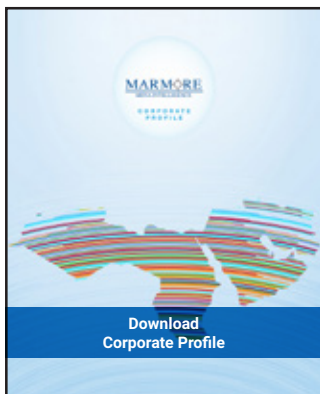


Research Highlights:

Advancements in EV technology, high gasoline prices and lower operating costs for EVs expected to generate increasing demand for EVs in GCC.



About Marmore



Organizational Background

Marmore MENA Intelligence provides research-based consulting solutions to help understand current market conditions, identify growth opportunities, assess supply/demand dynamics, and make informed business decisions.

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Since its inception, Marmore has published over 700 research reports and covered more than 25 varied industries and infrastructure segments; all focused primarily on the GCC economies. (To view our Research Library, please [click here](#))

With over 30 policy and regulatory research studies published, Marmore has partnered with renowned regional think-tanks and opinion-leaders to publish some of these intellectually provoking policy research papers. These research studies aim to initiate dialogue and propose better solutions to existing economic conundrums. (To view our Policy & Regulatory research report, [click here](#))

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Marmore's strengths can be summarized as follows:

- » Consistent track record of quality, in-depth research offerings;
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- » Deep understanding of MENA market and access to wide-ranging database
- » Delivers high quality, client specific, insightful research reports; highlighting key client issues and uncovering key answers/opportunities for the clients.

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Executive Summary

Automobiles have a prominent place in the life of GCC residents and the sector's prominence was supported with subsidized fuel prices given the abundant availability of fossil fuels in the region. The automobile market in the GCC countries boasts of the presence of all top international brands operating in the region for decades. GCC does not have automobile manufacturing facilities, but it is presently taking small steps in this direction.

As part of the larger drive to move away from subsidized goods and services towards market prices, Saudi Arabia and other GCC countries have hiked motor fuel prices in recent years and the markets are expected to see full implementation of market prices for motor fuels in the next few years. Therefore, like in the rest of the world Electric Vehicles (EVs) have entered the automobile market. The EVs are found to have advantage of lower fuel cost (electricity cost per km) and lower maintenance costs, while the manufacturing cost of EV is coming down and miles per recharge are going up with improvements in battery technology. More important than the fuel economy is the global initiative to switch to use of electric Vehicles (EV) in place of conventional IC engine-based automobiles with a view to reduce carbon emissions as part of the goal of Climate control and clean environment. Consequently, there is an encouragement by the governments including from those in the GCC to promote shift to Electric Vehicles.


Table 1.1: Stakeholders in GCC Automobile Sector

Stakeholders of Ecosystem of the GCC Auto sector	Impact of shift to EVs on the stakeholders
A. Local operations of international car manufacturers exporting automobiles to this region	Frame appropriate promotional schemes to enable the shift to EVS by the consumers.
B. Local companies acting as the dealers and distributors and their financiers	Train their key personnel at suppliers' plants to absorb the new technologies in EVs
C. Banks and other firms involved in financing of the automobile purchases by individuals	Auto finance companies will need to re-examine the loan eligibility norms given the higher cost of EVs compared to IC vehicles and the shorter life and differences in resale value of the EVs
D. Institutional players like the car rental companies and corporations owning automobile fleets.	The car rental companies to re-examine the EV share in their fleet based on expected demand for EVs by their customers

Stakeholders of Ecosystem of the GCC Auto sector	Impact of shift to EVs on the stakeholders
E. Insurance companies and brokers providing protection to car owners	The auto insurance providers will need to reassess the loss ratios to price their insurance policies as costs from damage and useful life of the EVs will be different from that of Internal Combustion engine vehicles
F. Auto repair, maintenance and service outlets.	The spare parts suppliers will need to stock a different type and value of items required by the EV users
G. Car accessories providers operating in the sector, the fuel and lubricants marketing companies to the automobile sector	Their products and specifications need to be revisited to suit the requirements of EVs

Taking into accounts what is discussed above, Marmore has developed this report on Electric Vehicle market in the GCC as well as giving estimates relevant to each of the member countries.

This report is a part of Marmore’s larger report on the GCC Automobile Sector which is available at the link provided below.

To buy the full report, please [Click Here](#) 

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