

United Arab Emirates

Capital: Abu Dhabi
Population: 4,588,697 (2006 census)
GDP:* \$159.3 billion (2007 estimate)
Currency: UAE Dirham
Language: Arabic



Summary

UAE has no domestic automotive manufacturing industry and therefore the vehicles are mainly imported either for domestic use or re-export to other countries. The UAE vehicle market is about 1.4 million vehicles and it grows annually, on average, by 10%.

Current Market Trends

Complimentary to the vehicle sector, there is an auto parts and components sector that has been growing rapidly. It is estimated that about 65% of the auto parts and accessories, that have been imported, are re-exported to other countries. They are among the top 10 re-export products of Dubai and have been growing annually by about 20%. The main destinations of these re-exports are Middle East, Africa and East Europe.

The relatively high living standards in GCC countries, the rising oil prices, the booming economies and the growing population are the driving forces behind the growth of the automotive sector in the UAE and the gulf region. The developments in the region, such as the situation in Iraq, will have an influence on the re-exports of motor vehicles from UAE.

However, policy measures are needed to counter the auto market spare parts and accessories counterfeit products, which account for more than 30% of the market.

Market Entry

A new industrial under the Jebel Ali Free Zone Authority (JAFZA) is being set up in Dubai to house companies dealing in vehicles and related service and spare parts. Dubai Auto Zone will consist of a free zone to attract foreign direct investment, a specialized economic zone to cater to the GCC market and a retail zone to serve the local market.

Main Competitors

The main sources of the market supply are Japan, Europe and the United States. Within the UAE, Dubai has been taking the lead in the vehicle market, having 50% of the vehicles stock. The major players in the motor vehicles manufacturing industry in UAE are Nissan, Toyota, Mitsubishi, Mercedes, BMW, Volkswagen, Jaguar, Land Rover, Ford and General Motors. It is estimated that out of the 150,000 four-wheel drive vehicles that are sold annually in the GCC countries, 70% is accounted for by UAE and Saudi Arabia.



Current Demand

Best Sales Prospects:

HS Codes	Description
870839000	Anti-Braking Systems
870899600	Air Bags
870870500	Alloy Wheels
852500000	Antennas
340530000	Automotive body polish and cleaners

Current Demand (continued)

Best Sales Prospects:

HS Codes	Description
870800000	Brake hydraulic systems and parts
870810000	Bumpers, including bumper guards
852721000	Car Audio
841330000	Fuel Injection Pumps
871493000	Hubcaps
870894000	Hydraulic steering systems and parts
S51980000	Paints
630492200	Seat Covers
902920500	Speedometers and tachometers
841300000	Water pumps and fuel pumps

Other opportunities are in the following areas:

- 4WD Accessories
- Body parts, including grills, lights etc.
- Decorative trim
- Spark plugs
- Valves for passenger cars, trucks and buses
- Windshield wiper blades
- Wireless power tools
- Anti glare glass film

Trade Events

Automechanika Middle-East (Dubai)

May 31 – June 2, 2009

<http://www.messefrankfurtme.com/automechanika/site/index.php>

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