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Middle East and Africa Tire Market





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Middle East Tire Industry Outlook



Middle East Tire market is forecast to grow at a CAGR of around 5.04%, in volume terms, during 2020-2025, with sales volume projected to reach 62.51 million units by 2025.

Passenger Car Tires (Million Units)

37.41	48.58
2020	2025
CAGR 2020-2025F – 5.31%	

Share by Vehicle Type (2019)

19.33%	41.69%	38.98%
Hatchback	Sedan	SUV

Commercial Vehicle Tires (Million Units)

11.47	14.06
2020	2025
CAGR 2020-2025F – 4.15%	

Share by Vehicle Type (2019)

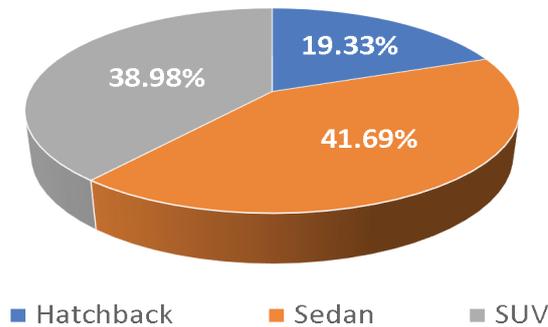
74.50%	25.50%
Light Commercial Vehicles (LCV)	Medium & Heavy Commercial Vehicles (M&HCV)



Middle East Tire Market By Vehicle Type



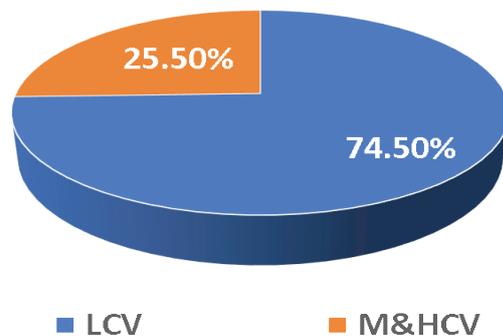
Market Share By Segment



Passenger Car Tire Market Share, By Volume, 2019

Commercial Vehicle Tire Market Share, By Volume, 2019

Market Share By Segment





Drivers & Challenges (Middle East Tire Industry)

Drivers

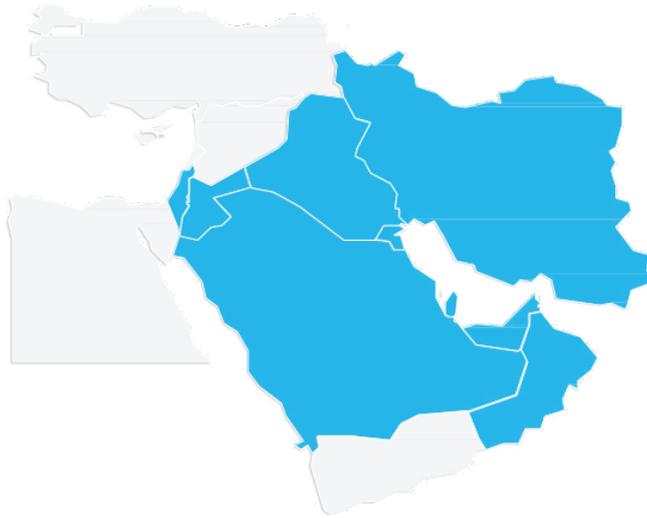
- Rising Construction industry
- Growing Logistic and e-commerce
- Increasing Automobile Sales
- Immigration

Challenges

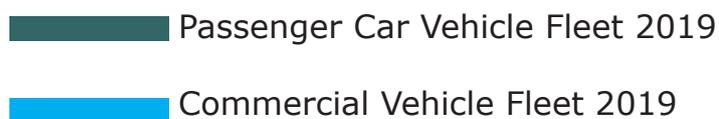
- Heavily Dependent on Imports



Overview of Middle East Vehicle Fleet Analysis



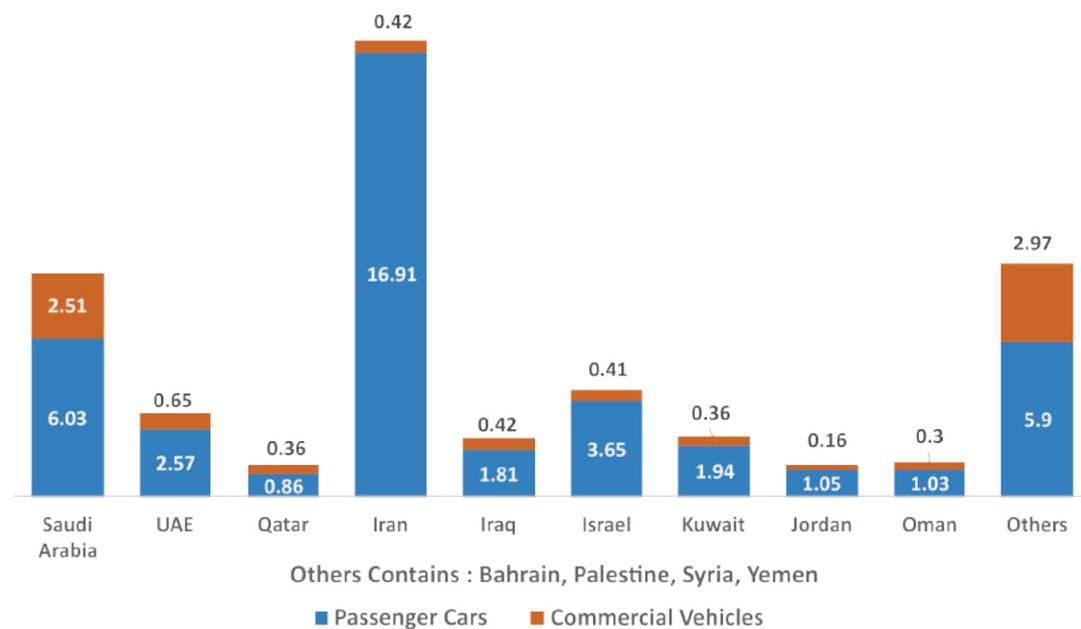
Others Contains : Bahrain, Palestine, Syria, Yemen



Middle East Passenger Car (PC) and Commercial Vehicle (CV) Fleet Analysis, By Country, 2019 (Million Units)



MIDDLE EAST VEHICLE FLEET BY VEHICLE TYPE



Major Tire Competitors in Middle East Tire Market



Major Players in Middle East Tire Market

- Bridgestone Middle East & Africa
- Goodyear Middle East FZE
- Michelin
- Hankook Tire
- Sumitomo Corporation
- Pirelli

As per the World Bank, GDP growth rate in Middle East stood at around 0.6% in 2019 and is expected to reach 2.6% in 2020.



Market Trends And Developments (Middle East)



In Saudi Arabia, factors such as lifting of ban on female drivers have increased the total number of female drivers in the country. In 2020, the number of female drivers is expected to reach 3 million, whereas the number of male drivers is expected to touch 9.5 million, which will result in the growth of the automotive sector in the country.

Apollo Tyres signed a partnership with Al-Jomiah to enter the Saudi Arabia tire market in December 2019. The company will be targeting truck, bus and passenger car tire market. The company aims to sell 800,000 tires annually in the next five years.



SsangYong Motor, which is owned by Mahindra & Mahindra, inked a licensing agreement with Saudi National Automobile Company (SNAM) in October 2019. The agreement allows SNAM to assemble 30,000 “Rexton Sports” and “Sports Kahn” SUVs annually at Jubail industrial complex in the eastern region of the country from 2021. The G4 Rexton, Korando and Tivoli models are presently being exported from South Korea to Saudi Arabia by SsangYong Motor.



Tire Market Future Opportunities (Middle East)

Sales of commercial vehicles are going to boost in Qatar as big infrastructure projects such as stadiums, roads and expressways are being undertaken for the upcoming FIFA World Cup 2022.

In 2022, the first electric car named (Katara) is going to be rolled down in the assembly line. The project is backed up by a new venture from Qatar Quality Trading Company and Japan based ARM Co., Ltd. (one of the leading global car manufacturers). Katara will be available in 10 different models.

Barez, a leading Iran based tire manufacturing company, aims to have an annual production capacity of 10 million tires by 2021. The company also plans to export 25% of its total tire production by 2025.

National Tire Company (NTC) is going to commence production in Saudi Arabia by the end of 2020. The plant has a production capacity of 20 million units annually. The plant will have a workforce of around 4,000 employees.

Karwa Motors is the joint venture between Mowasalat and Oman Investment Fund. Partners are going to invest USD 70 million to produce buses in Duqm plant. The production of buses will start by the second half of 2020 with an annual production capacity of 1,000 buses.



Middle East Tire Replacement Scenario

Middle East Tire Replacement Scenario By Vehicle Type



Passenger Car

Replacement Time
by Years

4



Light Commercial
Vehicles (LCV)

Replacement Time
by Years

3.5



Medium & High Commercial
Vehicles (M&HCV)

Replacement Time
by Years

3



Africa Tire Industry Outlook



Africa tire market is forecast to grow at a CAGR of 3.43%, in volume terms, during 2020-2025, with sales volume projected to reach 60.43 million units by 2025.

Passenger Car Tires (Million Units)

30.65	37.19
2020	2025
CAGR 2020-2025F – 3.94%	

Share by Vehicle Type (2019)

29.12%	32.33%	38.55%
Hatchback	Sedan	SUV

Commercial Vehicle Tires (Million Units)

20.41	23.25
2020	2025
CAGR 2020-2025F – 2.64%	

Share by Vehicle Type (2019)

77.60%	22.50%
Light Commercial Vehicles (LCV)	Medium & Heavy Commercial Vehicles (M&HCV)

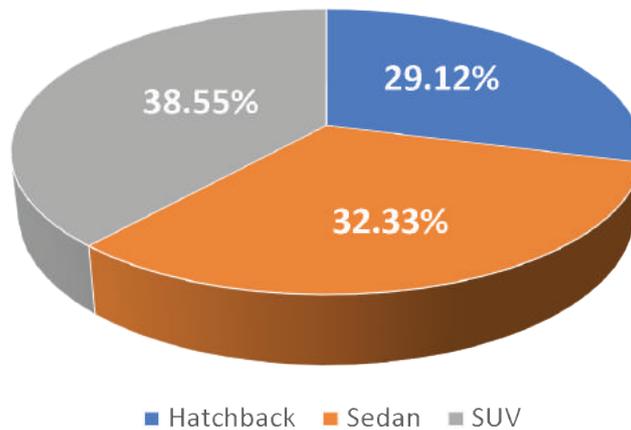


Africa Tire Industry



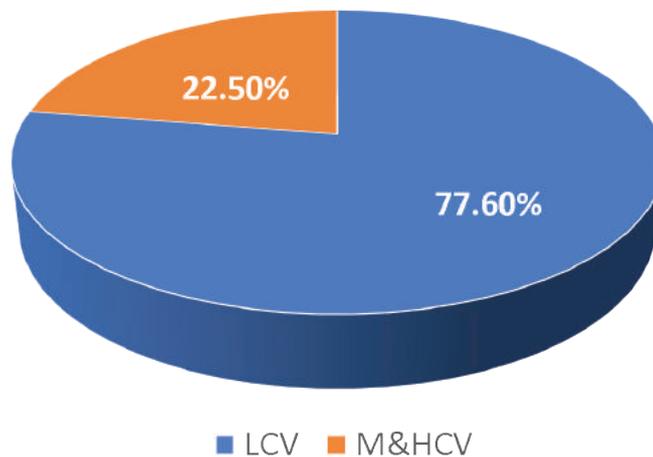
Passenger Car Tire Market Share, By Volume, 2019

Market Share By Segment



Commercial Vehicle Tire Market Share, By Volume, 2019

Market Share By Segment





Drivers & Challenges (Africa Tire Industry)

Drivers

- Infrastructure Development
- Increasing Purchasing Power and GDP Per Capita
- Expanding Distributor and Dealer Network
- Rising Demand for Chinese Tires and Growing Used Car Market
- Growth in Motorcycle Taxi Market



Challenges

- More than Half of the Market is Import Driven



Overview of Africa Vehicle Fleet Analysis



South Africa	7.82	3.9
Algeria	4.12	1.89
Morocco	3.16	1.07
Egypt	4.97	1.50
Nigeria	3	0.80
Tanzania	0.24	0.14
Kenya	0.85	0.55
Angola	0.75	0.14
Zimbabwe	0.83	0.11
Others	6.78	4.77

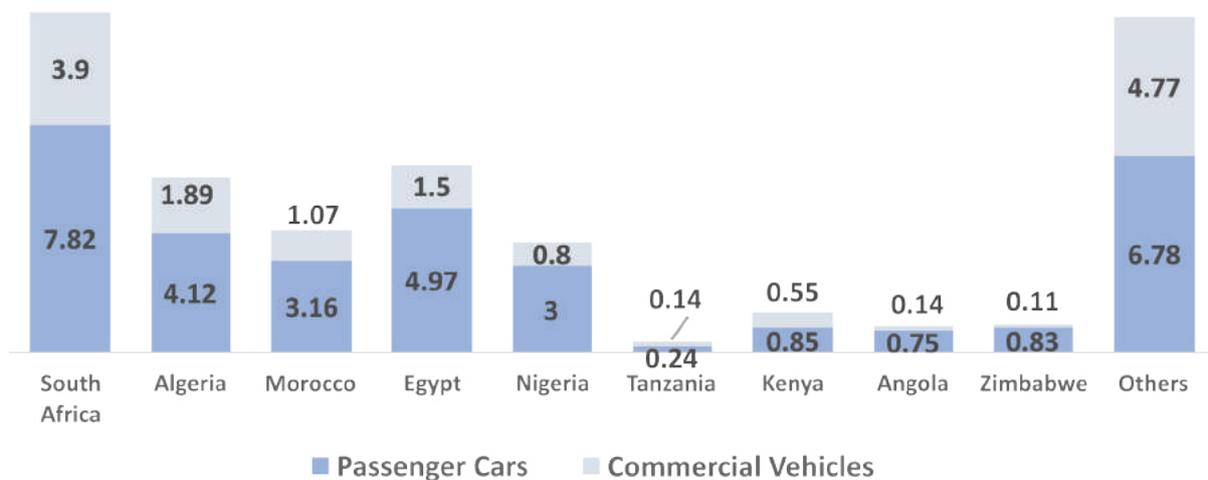
Passenger Car Vehicle Fleet 2019
 Commercial Vehicle Fleet 2019



Africa Passenger Car (PC) and Commercial Vehicle (CV) Fleet Analysis, By Country, 2019 (Million Units)



AFRICA VEHICLE FLEET BY VEHICLE TYPE



Major Tire Competitors in Africa Tire Market



Major Players in Africa Tire Industry

- Bridgestone South Africa (Pty) Ltd.
- Continental Tire SA (Pty) Ltd
- Goodyear South Africa (Pty) Ltd
- Michelin
- Infinity Tires

As per the World Bank, GDP growth rate of Africa was around 3.4% in 2019 and is expected to stand at 3.9% in 2020.



Market Trends And Developments (Africa)



Firestone, a subsidiary brand of Bridgestone, is going to engage in partnerships with agriculture co-operatives across South Africa. As a part of these partnership agreements, Firestone plans to deliver tires for commercial vehicles and OTR (Off-The-Road) vehicles, majorly tractors.

In Africa, Nissan plans to increase its presence, as a part of the company's Nissan MOVE to 2022 Midterm plan. The production of the plant near Algeria's western city Oran, in partnership with Hasnaoui Group, is going to start in the first half of 2020, with an annual capacity of 63,500 vehicles.



Bridgestone, a leading global tire player, has long term tire supply agreements with BMW. Bridgestone South Africa is now the domestic partner for manufacturing 19-inch tires for BMW X3, which is assembled in South Africa.



Tire Market Future Opportunities (Africa)

Green Distillation Technologies, an Australian tire recycler, is now the first company in the world which has developed the technology to turn old tires into oil, carbon and steel. GDT has signed an agreement worth USD 50 million with Volco Power Pty Ltd to build 5 tire recycling plants in South Africa.

Kenya's government is prioritizing to produce commercial vehicles (Buses, Trucks, etc.) and plans to take initiatives to encourage production of passenger vehicles (passenger cars, SUVs, station wagons and motorcycles). The country's government has announced plans to provide incentives as per the vehicle types being manufacture.



Africa Tire Replacement Scenario

Africa Tire Replacement Scenario By Vehicle Type



Passenger Car

Replacement Time
by Years

4.5



Light Commercial Vehicles (LCV)

Replacement Time
by Years

4



Medium & High Commercial Vehicles (M&HCV)

Replacement Time
by Years

3.5



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Automechanika Dubai is the Middle East and Africa's largest international trade fair for the automotive aftermarket and service industry, featuring more than 1,900 exhibitors from 60-plus countries and attracting more than 32,000 visitors from 150-plus countries.

The 18th edition will take place spanning the six product categories of Parts & Components; Electronics & Systems; Accessories & Customizing; Tires & Batteries; Repair & Maintenance; and Car Wash, Care & Reconditioning.

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