

UAE car sales could top 300,000 units this year

Dubai: Annual car sales in the UAE look set to cross the 300,000 units mark for the second time in the country's history and the first since 2008, when volumes soared to more than 340,000 units, market sources confirm.

This year's expectations are based on the near 30 per cent growth new car sales had in the year to end August and building up nicely towards an expected surge in the last quarter.

"Volumes in the year to August were upwards of 240,000 units and driven by retail, fleet and export demand," said Michel Ayat, CEO of Arabian Automobiles Co and the Nissan dealership for Dubai and northern emirates. "It's not just one or two categories boosting the numbers – new buyers are looking at everything from an entry-level model to the top-end. If this growth rate lasts, crossing 300,000 units will not present a problem."

Unlike in 2008, this year's volumes are not built on easy credit from financial institutions. A 20 per cent down payment regime has been in place for some time and which car buyers have gotten used to. According to Ayat, a steadily growing population is another factor in increased sales.

Ayat's comments about an upbeat car market here and in the GCC are echoed by other industry sources. "The larger countries, particularly the UAE and Saudi Arabia, are pulling ahead on the back of strong core models, new model launches and improved infrastructure in sales and after-sales service," said Jeff Mannering, regional managing director at Audi. The German make reported an 18.3 per cent increase in volumes during the first three quarters to 6,629 units, with the UAE being the top-selling market with 2,747 units.

With growth in auto sales in China and India stalling and Europe well behind the curve, the GCC, the wider Middle East (sans Syria) and Africa represent one of the few geographies where demand is on the up and quite significantly at that.

Meanwhile, AAC is putting its marketing muscle behind the new Nissan Altima, which starts at Dh79,500. The mid-sized saloon car category

has recorded volume growth of well over 20 per cent and could touch 25,000 units for the full year.

“Our aim with the Altima is to grow at 50 per cent in the next three years and if that happens it will be Nissan’s volume leader in Dubai and the northern emirates,” said Ayat. “Currently, the mantle is held by the Sunny.”