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Together makes progress

2026 Middle East Automotive Consumer Study

UAE & KSA deep dive, with global benchmarks

Dear Reader,

The global automotive industry is being reshaped by forces that converge differently in every region, and nowhere is that more visible today than in the Middle East. Globally, brand loyalty is under pressure as emerging manufacturers, led by a fast-growing cohort of Chinese brands, challenge established players. Electric vehicle momentum has moderated even as the long-term shift toward lower-emission mobility remains clear, with hybrids gaining ground as consumers weigh charging infrastructure, driving range, and cost. Software-defined vehicles, connected features, and artificial intelligence are changing how cars are designed, built, sold, and experienced. Elevated transaction prices continue to weigh on an increasingly cost-conscious consumer still managing the effects of a prolonged period of high interest rates.

In the Gulf, these global currents meet a distinctly local reality. The post-conflict landscape has reset near-term demand in the UAE and Saudi Arabia: Purchase intent has fallen sharply, yet most consumers have postponed rather than canceled—demand is deferred, not lost. Buyers are preserving cash, showing greater openness to financing and flexible ownership, and responding to risk-reducing incentives—extended warranties, zero-interest finance, comprehensive insurance—more than to discounts. At the same time, openness to switching brands in the UAE and KSA is the highest we measure anywhere in EMEA. In a market where each brand is represented by a single, long-standing distributor partner, that loosening of loyalty means share can change hands quickly, and the recovery will belong to the networks that earn consumer trust through the trough.

To help the industry navigate these intersecting issues, we developed our annual Global Automotive Consumer Study over 15 years ago as a tool to view the sector through a consumer lens. As many industry executives have echoed through the years, this sector starts and ends with the consumer. This year's study captures the opinions and behaviors of more than 28,500 consumers across 30 countries. This edition leads with a dedicated deep dive into the UAE and Saudi Arabia, organized around the customer journey— awareness and preferences, the buying process, aftersales, and replacement—with the geopolitical context as a cross-cutting lens and global benchmarks woven in for comparison throughout. It closes with practical implications for brand principals and their distribution partners. For more information, including a deeper dive into study results for all participating countries, please click here to access the online interactive dashboard. We hope you find the insights in this report useful, and we would welcome a conversation about what they mean for your business.

Warm regards,

Joerg Meiser

Partner

Automotive Leader

Monitor Deloitte Middle East

jomeiser@deloitte.com

Deloitte has been exploring key consumer trends impacting a rapidly evolving global mobility ecosystem for over a decade

Key themes emerging over the years include:

2010
Overall value ranked as the primary factor when evaluating brands

2011
"Cockpit technology" and the shopping experience-led differentiators

2012
Interest in hybrids driven by cost and convenience, while interest in connectivity centers on safety

2014
Shared mobility emerges as an alternative to owning a vehicle

2017
Interest in full autonomy grows, but consumers want a track record of safety

2018
Consumers in many global markets continue to move away from internal combustion engines (ICE)

2019
Consumers "pump the brakes" on interest in autonomous vehicles

2020
Questions remain regarding consumers' willingness to pay for advanced technologies

2021
Online sales gaining traction, but majority of consumers still want in-person purchase experience

2022
Interest in electrified vehicles (EVs) grows, but worries about price, driving range, and charging time remain

2023
The shift to EVs is primarily based on a strong consumer perception that it will significantly reduce vehicle operating costs

2024
Consumer interest in EVs wanes in most markets due to high sticker prices, range anxiety, and charging infrastructure challenges

2025
Consumers increasingly prioritize charging convenience and total cost of ownerships as primary drivers of EV purchase decision

The Global Automotive Consumer Study helps to inform on Deloitte's point of view on the evolution of mobility, smart cities, connectivity, sustainability, and other issues surrounding the movement of people and goods.

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THE ELECTRIC VEHICLE
Battery Management System
Electric Cable
Battery Packs
Power Electronics
Transmission Electric Engine

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Executive Summary Middle East (1/3)

Five things Middle East auto leaders need to know

01 **Geopolitics has reset near-term demand, but the buyers haven't disappeared**

12-month purchase intent fell from 82% to 28% in the UAE (–54pp) and 79% to 21% in KSA (–58pp) after the conflict. The key nuance: most consumers postponed rather than canceled, so the demand is deferred, not lost.

02 **Brand loyalty is the most fragile in EMEA, putting franchise volumes at risk**

82% of UAE and 79% of KSA consumers are open to switching brands—the highest in the region. As each brand has one exclusive distributor, every switcher is a customer lost to a rival distributor outright. Chinese marques benefit most.

03 **ICE still leads, and the EV story must be told differently in each market**

Gasoline still dominates both markets, but EV motivation diverges: UAE buyers are drawn by driving experience, KSA buyers by lower running costs. A single regional EV message underperforms—localize the distributor pitch by country.

04 **Digital research is now standard, yet the showroom still closes the sale**

Middle East consumers lead EMEA in willingness to research and buy online, but trust, the test drive, and the salesperson still anchor the decision. The winning distributor blends a digital-first journey with a strong physical close.

05 **Conversion now hinges on reducing risk, not cutting price**

40% would buy with the right offer, and the levers are warranties, zero-interest financing, and insurance—not discounts. Where the distributor sets the local offer, bundling protection and finance beats headline price cuts.

Executive Summary Middle East (3/3)

Demand caution is the headline; conversion will depend on affordability, powertrain reassurance, and service trust

The year-on-year movers worth pricing into 2026 plans

1 Purchase intent reset

Post-conflict demand moved sharply negative in both Middle East focus markets.

UAE
−54pp
12-month purchase intent
post-conflict

KSA
−58pp
12-month purchase intent
post-conflict

Price, finance and confidence levers become critical to recover conversion.

2 Powertrain proposition shifts

Consumer logic is polarizing ICE preference recovered, while EV drivers became more concrete.

UAE
+10pp
Gasoline preference rebound
now 46%

UAE
+21pp
Environment as an EV driver
now 50%

KSA
+11pp
Lower fuel cost as EV driver
now 53%

3 Channel and service cues diverge

Direct OEM interest softened, while aftersales satisfaction strengthened in both markets.

UAE
−6pp
Interest in buying direct from OEM

UAE
+9pp
Service satisfaction — quality of work

KSA
+11pp
Service satisfaction — clarity of work

Contents

Design Done

About the study | Study, scope, methodology & sample

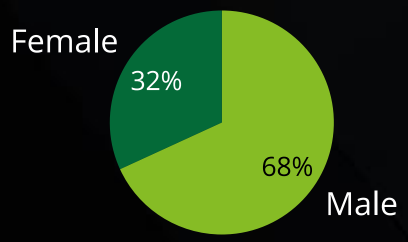
The study includes 28,553 consumer responses across 27 countries, with a dedicated 2,007-consumer Middle East deep dive

Study methodology
A pre-conflict study was fielded during Q4 2025 using an online panel methodology where consumers of driving age were invited to complete the questionnaire (translated into local languages) via email.
During regional uncertainty in Q1 2026, we have also tested customer's appetite and behavior towards vehicle purchase for UAE and Saudi Arabia, reflected in the "Geopolitical Impact" section.

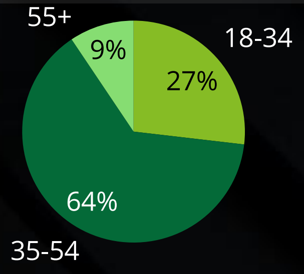
UAE
n = 1,006

Sample demographics
% distribution by gender, age, and income

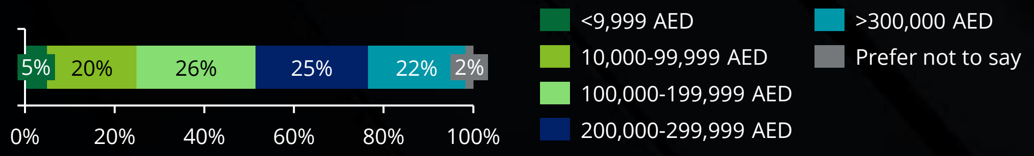
Gender



Age



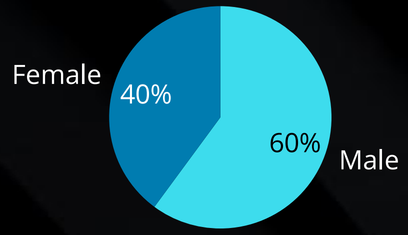
Income



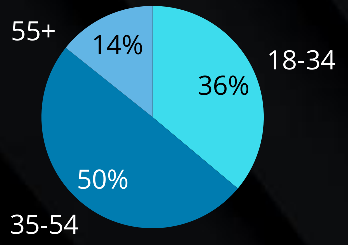
KSA
n = 1,001

Sample demographics
% distribution by gender, age, and income

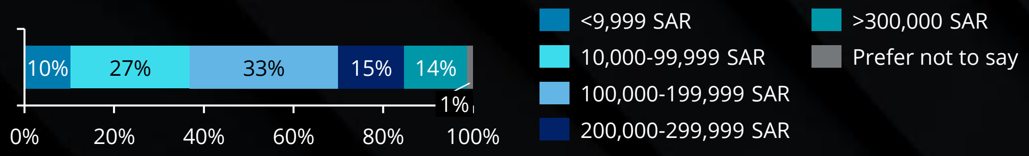
Gender



Age



Income



About the study | Customer journey framework

How we organize the deep dive: four journey stages, one cross-cutting shock

Customer journey

01 Awareness and preferences

Customer confirms a need for a new vehicle, researches and decides broadly what vehicle they would like to purchase

- Engine type
- Vehicle size
- Price
- Features

02 Buying process

Customer visits dealerships, either physically or online, and undergoes the process to buy his preferred vehicle

- Engagement
- Channel
- Financing

03 Aftersales

Customer experiences their new vehicle and engages in maintenance services and feedback

- Provider of choice
- Satisfaction level

04 Replacement

Customer experiences push (problems) or pull (interest) factors and realizes that they must look for a new car

- Replacement rate

Key data points

Repeat

Geopolitical Context

About the study | How to read this report

A quick orientation before we begin

This report is organized around the customer journey. Every Middle East slide compares the **UAE and KSA** side by side, with **Global / EMEA** shown as comparison callouts where needed.

1 The story follows the customer journey

Four stages, plus one cross-cutting shock.

01 Awareness & preferences	02 Buying process	03 Aftersales	04 Replacement

Geopolitical Context, a cross-cutting shock that reshapes demand at every stage

2 Every slide splits UAE vs KSA

Flag markers on the sides of each chart identify the two markets. Read them side by side.

UAE KSA

3 Global / EMEA as callouts

Where global context adds perspective, it appears in a blue box like the one below, never as a separate section.

Global Context

e.g. how the Middle East compares with the US, Europe or China on the same measure.

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Market Context

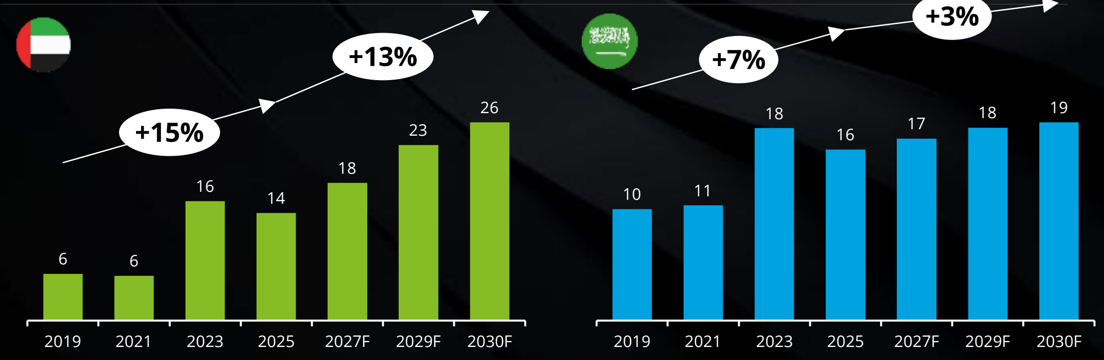
Middle East market context | Market size and performance

The UAE automotive market will grow at a CAGR of 13% over the next few years, while substantial local manufacturing investments will drive 3% growth in the KSA market despite expected oil price reductions

Automotive Market Overview

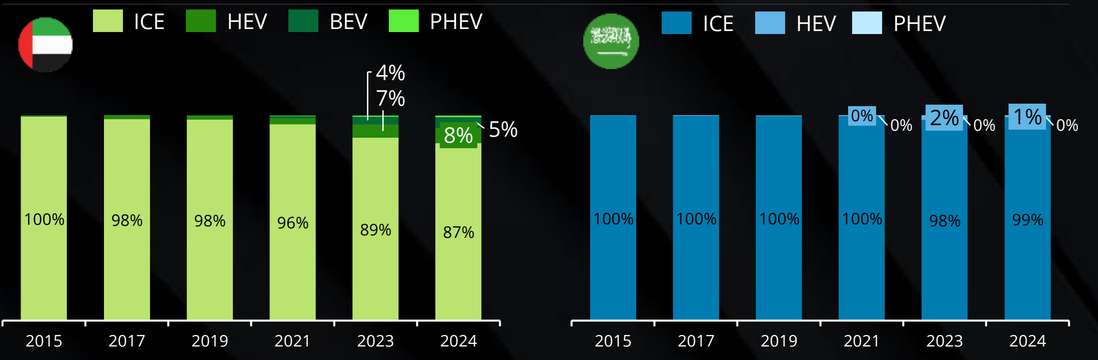
PV vehicles market

Trade value (Bn USD), 2019-2030



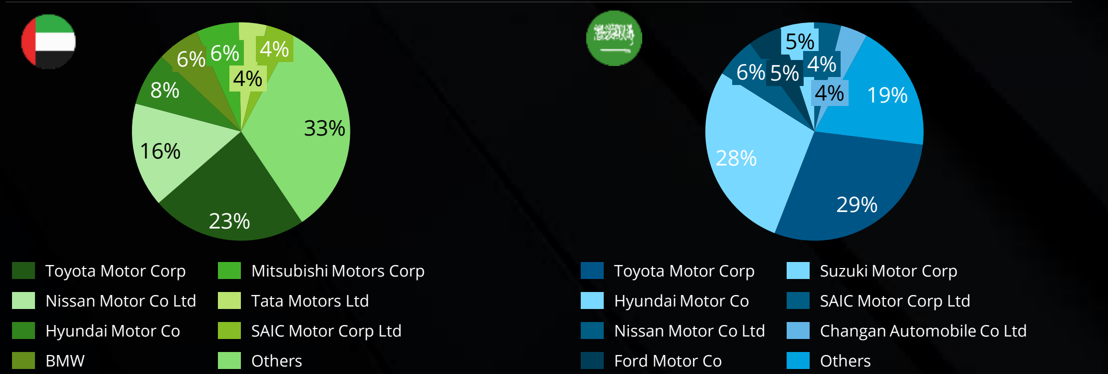
Vehicle type purchase trends

Sales (%), 2015-2024



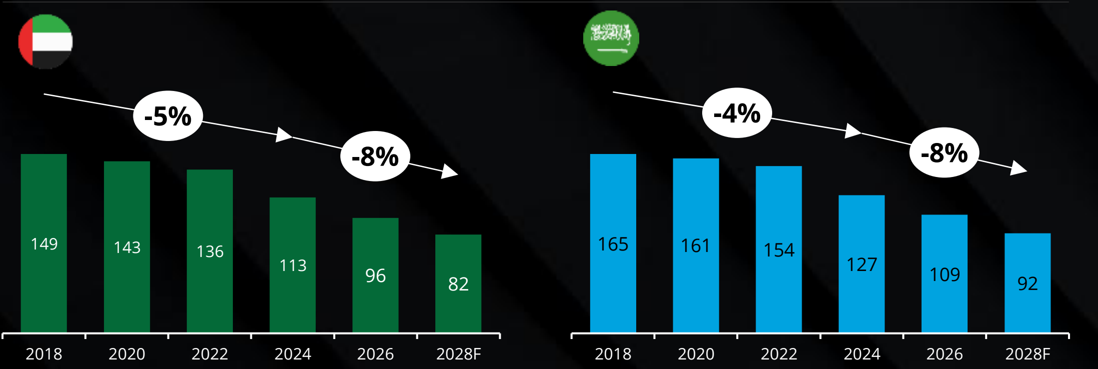
Sales of passenger cars by OEMs

Sales (%), 2024



Vehicle emissions

CO2 emissions (g) per km, 2018-2028



Sources: Economist Intelligence, Monitor Deloitte Analysis

Middle East market context | Key trends: UAE vs KSA

In UAE, vehicle prices have decreased alongside growth in electric vehicles and Chinese brands, while in KSA, there is a push for electric vehicles and local manufacturing, with opportunities for foreign brands

Automotive Market Trends

Key observations for the UAE market

Vehicle Pricing Dynamics: Pricing behavior is becoming increasingly segmented, with discounting concentrated among selected ICE models while intensified competition reshapes price positioning across EV and Chinese brand segments

Electric vehicle growth: EV sales are rising, supported by government and private infrastructure, with ADNOC and TAQA planning over 70,000 EV charging points by 2030

Aftermarket expansion: The automotive aftermarket industry is also reaping the benefits of wider industrial growth and is forecasted to hit $1.9 billion by 2028

Chinese brand expansion: Brands like Changan, Lynk & Co, and Jetour are aggressively entering the market, offering competitive pricing and pressuring established rivals

Financing and affordability considerations: Consumers are increasingly evaluating financing structures alongside vehicle decisions, with monthly affordability, residual value confidence, and flexible payment schemes gaining prominence

Key observations for the KSA market

Push for Electric Vehicles: Vision 2030 targets 30% EV penetration by 2030, however, currently, KSA's EV sector has less than 1% penetration due to cheap fuel and under-developed EV infrastructure

Investment in local manufacturing: The Saudi automotive industry is transforming with investments into local manufacturing, through Lucid Motors, the launch of Ceer Motors, and Hyundai's MOU for a Saudi assembly plant

Expansion of car leasing market: The Saudi car leasing market is expected to grow at a CAGR of around 10% over the next five years, driven partially by the rising number of women who are willing and able to drive

Expected growth of aftermarket: As the Saudi automotive industry grows, demand for aftermarket products and services will rise, which is currently valued at $4.2 billion, accounting for 40% of the Middle East market

Intensifying competitive landscape: Increasing participation from international entrants is expected to pressure pricing strategies and accelerate differentiation through technology, features, and ownership models

Sources: Euromonitor, Gulf News, Aletihad, Zawya, Glasgow Research, Arab News, AstroLabs, Economist Intelligence, Monitor Deloitte Analysis

Middle East market context | UAE and KSA customer profile summary

The UAE and KSA consumer at every stage of the journey

	01 Awareness and preferences		02 Buying process		03 Aftersales	04 Replacement
UAE	**Engine type** Gasoline remains popular, but electric demand is rising	**Vehicle size** Sedans, followed by SUVs and wagons are the most popular type	**Engagement** Building trust with a salesperson and physical interaction are crucial	**Channel** Authorized/New dealers are preferred	**Provider of choice** High loyalty to authorize/new vehicle dealers	**Replacement rate** Most look to buy in 1 to 3 years and even between 6 months and 1 year
	Price Prefer to buy 50,000 to 150,000 AED range	**Features** AI & emergency features are popular	**Financing** Loan/Financing is growing in popularity		**Satisfaction level** High degree of satisfaction, but questions about price	
KSA	**Engine type** Gasoline remains popular, but EVs are gaining popularity	**Vehicle size** Sedans followed by wagons and SUVs are the most popular and will remain so	**Engagement** Building trust with a salesperson and physical interaction are crucial	**Channel** Authorized/New Dealers are preferred	**Provider of choice** Loyalty to authorize/new vehicle dealers	**Provider of choice** Most hold vehicles for a while, but many plan to buy within 1-3 years and even between 6 months and 1 year
	Price Prefer to buy 50,000 to 150,000 SAR range	**Features** High affinity for AI, emergency and security features	**Financing** Cash is preferred, but financing is gaining popularity		**Satisfaction level** High degree of satisfaction, but questions about price	

Middle East market context | Five themes shaping the Middle East consumer

Five themes shaping the Middle East consumer, from purchase decision through aftersales

1

High vehicle dependency, different motivations
UAE shows greater sensitivity to convenience and lifestyle; KSA remains anchored in utility, practicality, and value retention.

2

Diverging electrification paths
UAE EV adoption is shaped by pricing, model availability, and charging infrastructure. KSA decisions remain shaped by fuel economics and operational reliability

3

Brand loyalty is weakening—fast
Switching intent (UAE 82%, KSA 79%) is the highest in EMEA. Chinese OEMs are the main beneficiary, especially in the UAE

4

Digital journeys are growing but uneven
UAE consumers increasingly research and compare digitally; KSA continues to emphasize in-person dealer engagement and negotiation flexibility

5

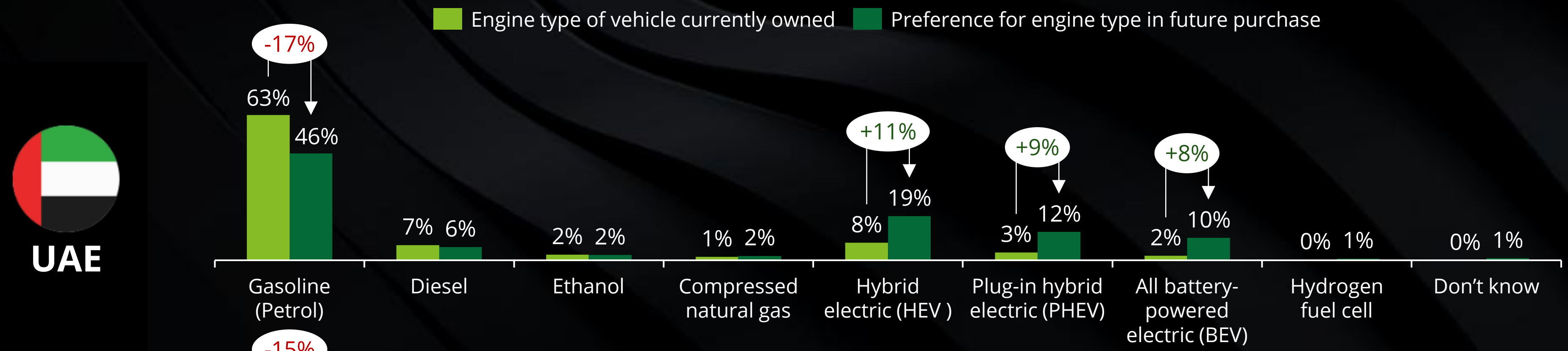
AI and driver-assistance comfort is higher than EMEA average
Stronger in the UAE; more measured in KSA, where consumers prioritize proven functionality and safety reassurance

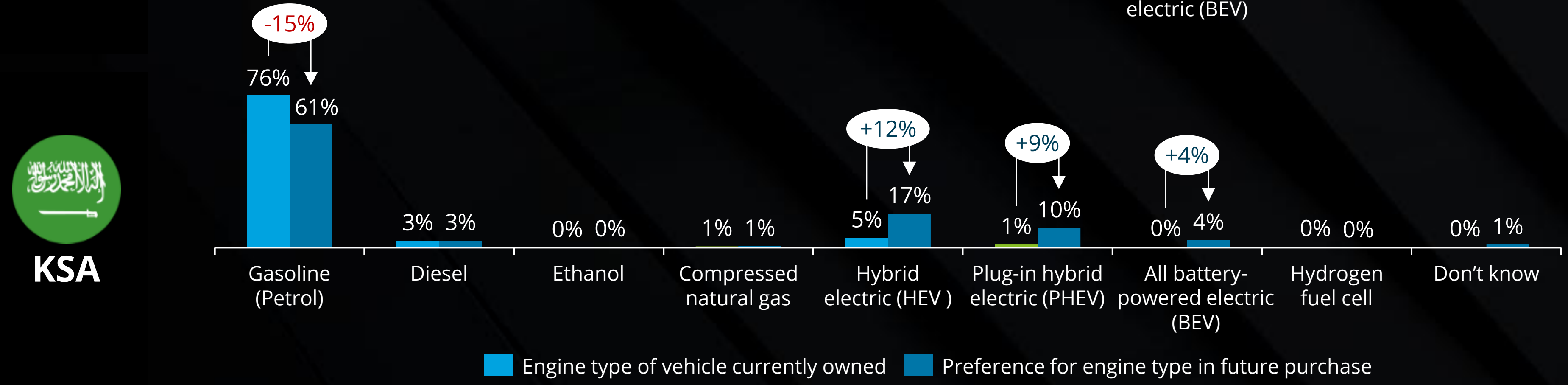
Awareness and preferences

Awareness and preferences| Engine type

While gasoline-powered vehicles remain the most popular choice for future purchases in both the UAE and KSA, their popularity is declining as HEVs, PHEVs, and BEVs gain considerable traction

Changes in preference for engine type, based on current vehicle engine vs. preference for engine in future vehicle purchase





Global Context

- In the United States, **83% of consumers still prefer internal combustion engines**, with only 17% preferring electric options
- Chinese consumers however show the greatest affinity for electric vehicles with **55% of them preferring to buy an electric vehicle at the next time of purchase**

Retailer's Misalignment

Retailers anticipate a moderate threat from new entrants, especially in the EV space, **but data indicates exponential growth in expected EV demand**

Q13. What type of engine is in your current vehicle? | Q41. What type of engine would you prefer in your next vehicle?

Sample size: UAE n = 1,006; KSA n = 1,001

Awareness and preferences | Reasons for choosing an EV (UAE vs KSA)

In KSA, demand for EV is driven by lower running costs, while in the UAE, it's due to driving experience despite higher fuel prices; in both cases as budgets increase, preference for hybrid electric vehicles rises

Reasons for choosing an EV as next vehicle

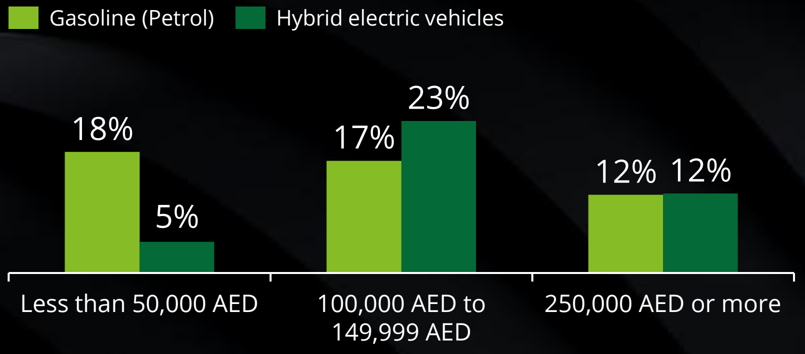
UAE

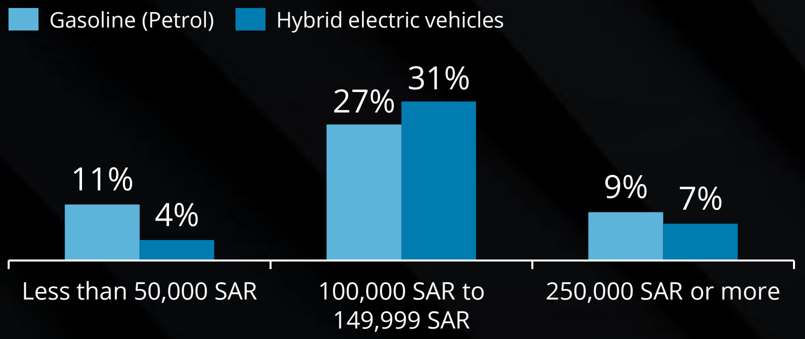
Reasons	Percentage chosen
Driving experience	**35%**
Brand reputation	33%
Longer range	32%

KSA

Reasons	Percentage chosen
Lower fuel costs	**42%**
Driving experience (e.g., quieter, better performance)	36%
Better lifestyle	33%

Budget for future purchase





Global Context

- The consensus across major countries around the world for people preferring to switch to electric vehicles lies between **lower fuel costs and concern for the environment were are amongst the top reasons**
- Southeast Asian consumers highlighted similar reasons as the U.S., with **low fuel costs being the most important determinant**

Q42. Which of the following factors have had the greatest impact on your decision to acquire an EV? (Please select all that apply.)

Sample size: UAE n = 989; KSA n = 976

Awareness and preferences | Vehicle size preference

In UAE, SUVs are the most popular, while in KSA, sedans and wagons are preferred, though sedans are gaining popularity in both countries

Changes in preference for vehicle size, based on current vehicle size vs. preference for size of vehicle for future purchase

	Most popular vehicle size...	Other popular sizes...	Biggest shift in preferences...
UAE	**SUVs** are expected to dominate future demand, accounting for 35%, down 4% from 2025	**Sedans** (29%) and **wagons** (17%) are the second most preferred size, with an 11% increase for wagons from 2025	**7pp** decline in the expected demand for sedans
KSA	**Sedans** are expected to dominate future demand, accounting for 42%, up 7% from 2025	**Wagons** (19%) and **SUVs** (19%) are the second most preferred size, increasing 8% for SUVs from 2025	**8pp** decline in the expected demand for sedans

Q4. What type of vehicle do you currently own or lease? | Q25. What type of vehicle are you planning to acquire next?

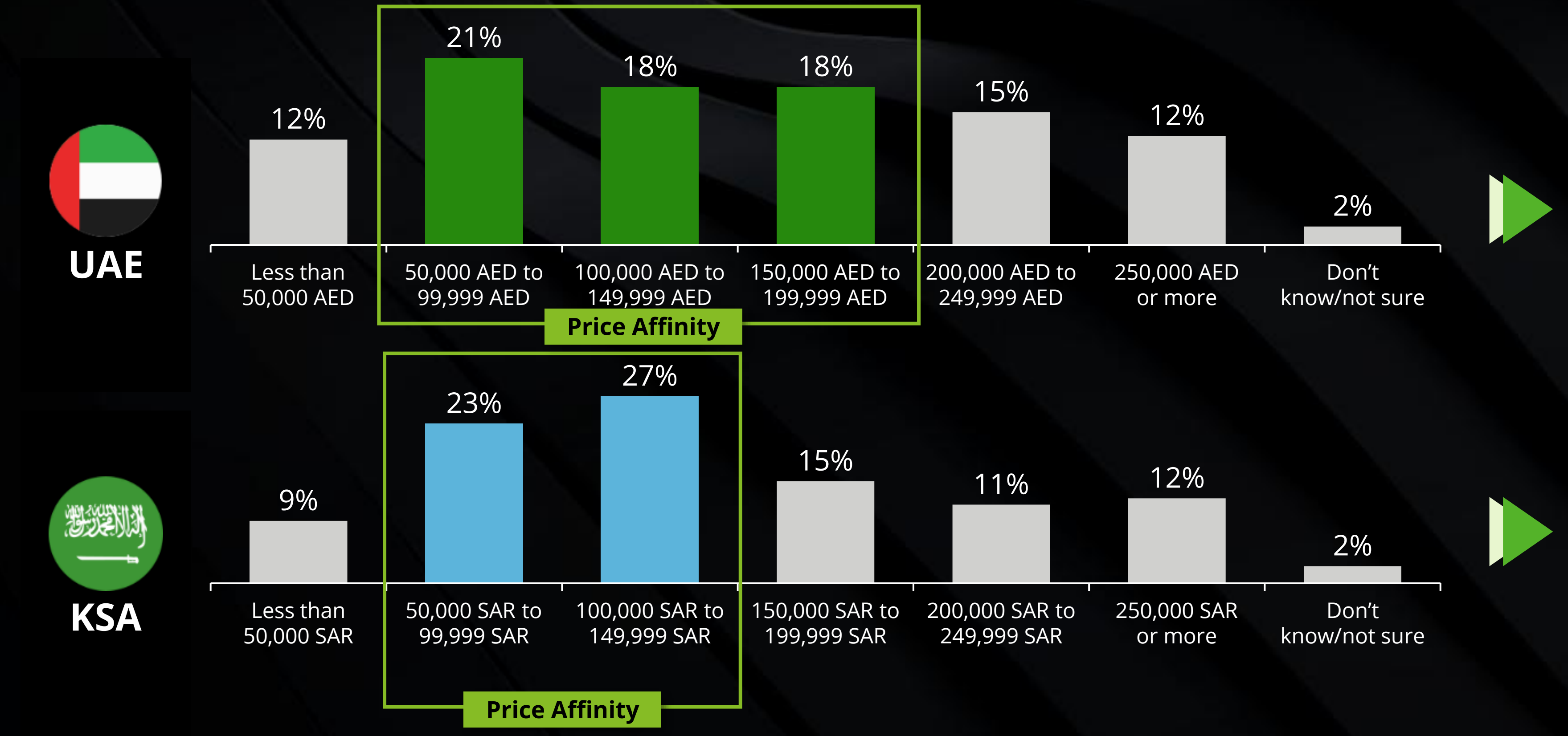
Sample size: UAE n = 1,006; KSA n = 1,001

Awareness and preferences | Price & budget

Both markets concentrate in the mid-tier band; price matters but running cost and experience decide

Legend: Most popular/relevant answer choice(s)

Budget for future purchase



Price is among the most important factor for future purchases, alongside quality, features, performance, and brand reputation

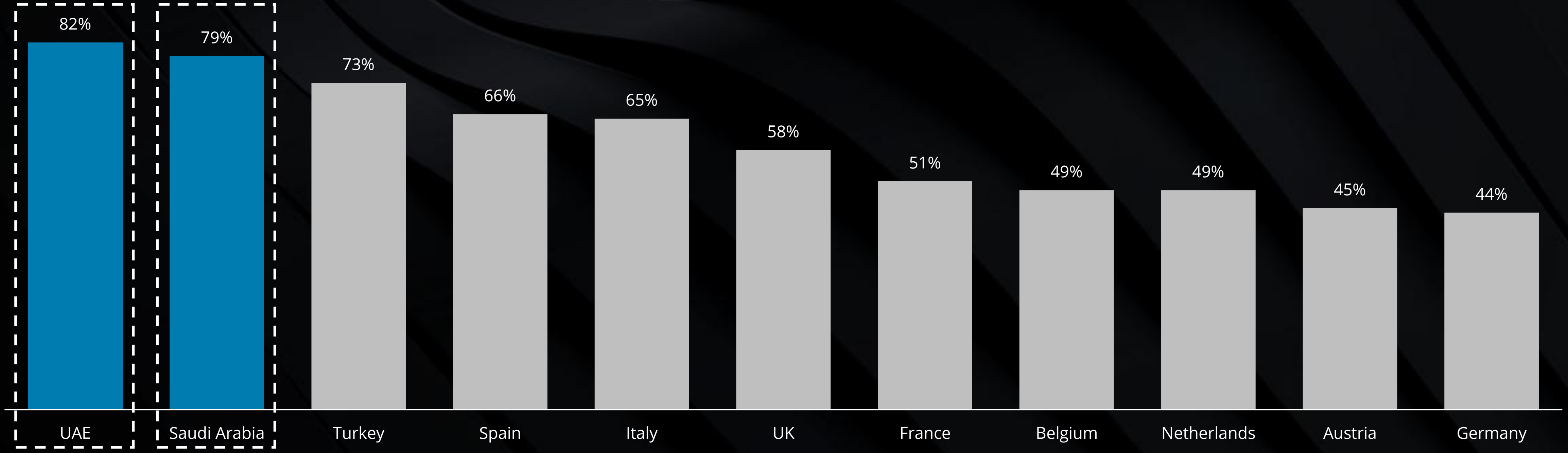
Q31. In which of the following price ranges will you be shopping for your next vehicle? (Please indicate what you would expect to pay after any discounts and/or incentives that might be available).

Sample size: UAE n = 1,006; KSA n = 1,001

Awareness and preferences | Brand preference & switching intent

82% of UAE and 79% of KSA consumers are open to switching brands, the highest in EMEA

Percentage of consumers intending to switch to another brand* of vehicle



Switchers are **increasingly heading to Chinese OEMs**, especially in the UAE

*Includes switching to a different brand from the same parent or a different brand from a different sales parent.

Q5. What brand is the vehicle you drive most often?; Q26. What brand are you considering most for your next vehicle? [Brand switching percentage is based on a calculation involving these two questions.]

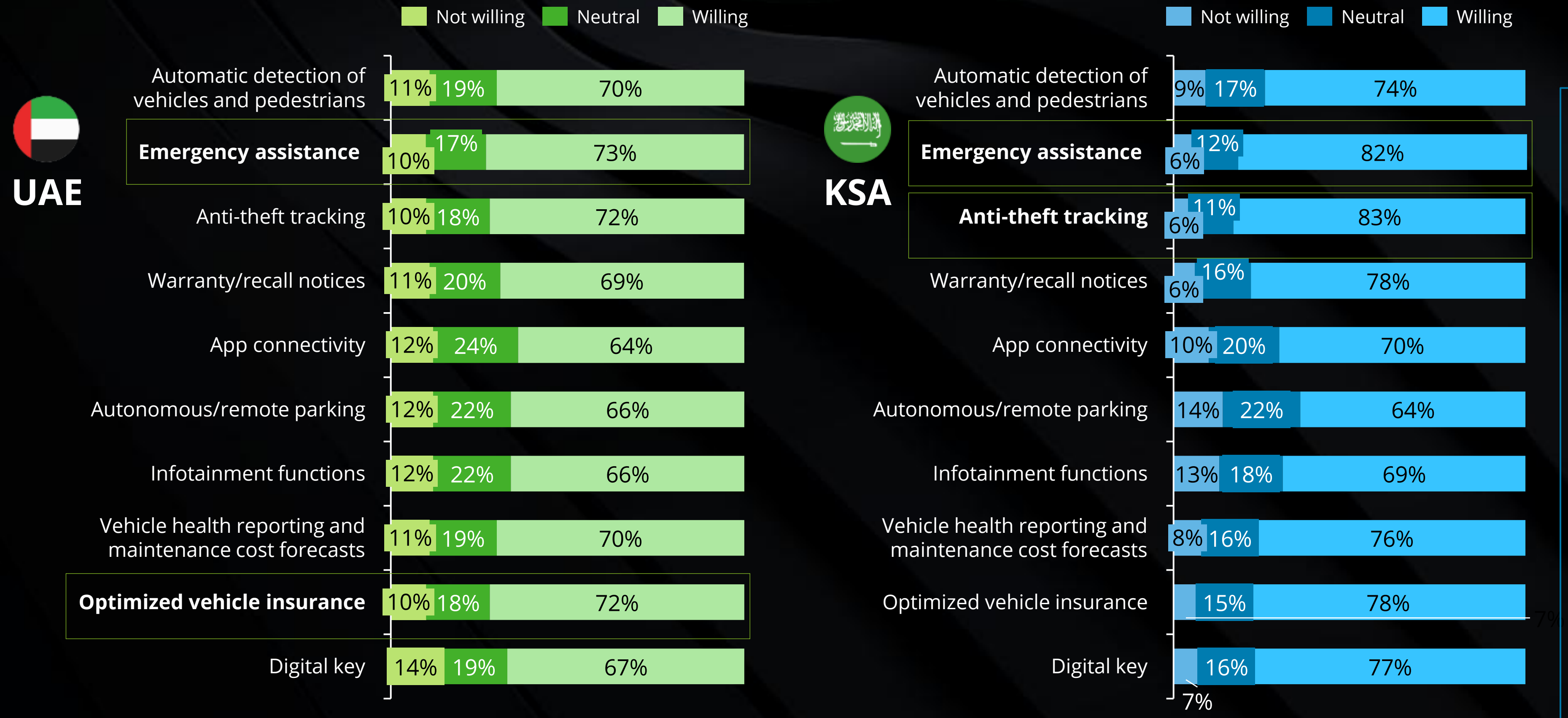
Sample size: n= 733 [Austria]; 658 [Belgium]; 534 [France]; 1,040 [Germany]; 594 [Italy]; 762 [Netherlands]; 847 [Saudi Arabia]; 724 [Spain]; 649 [Turkey]; 847 [UAE]; 1,080 [UK]

Awareness and preferences | Connected features: willingness to pay

Middle East buyers treat connected safety features as standard, not premium

Legend: Most popular/relevant answer choice(s)

Willingness to pay for connected vehicle features



Global Context

- In the United States, similar to the UAE and KSA, **emergency assistance is one of the most sought-after features**
- Chinese and French consumers also exhibit a similar pattern, whereby **emergency assistance** and **anti-theft tracking** are **the top two features prospective buyers are most willing to pay for**
- Prospective buyers in countries with relatively higher crime rates, like the United Kingdom and India, are **most willing to pay for anti-theft tracking**

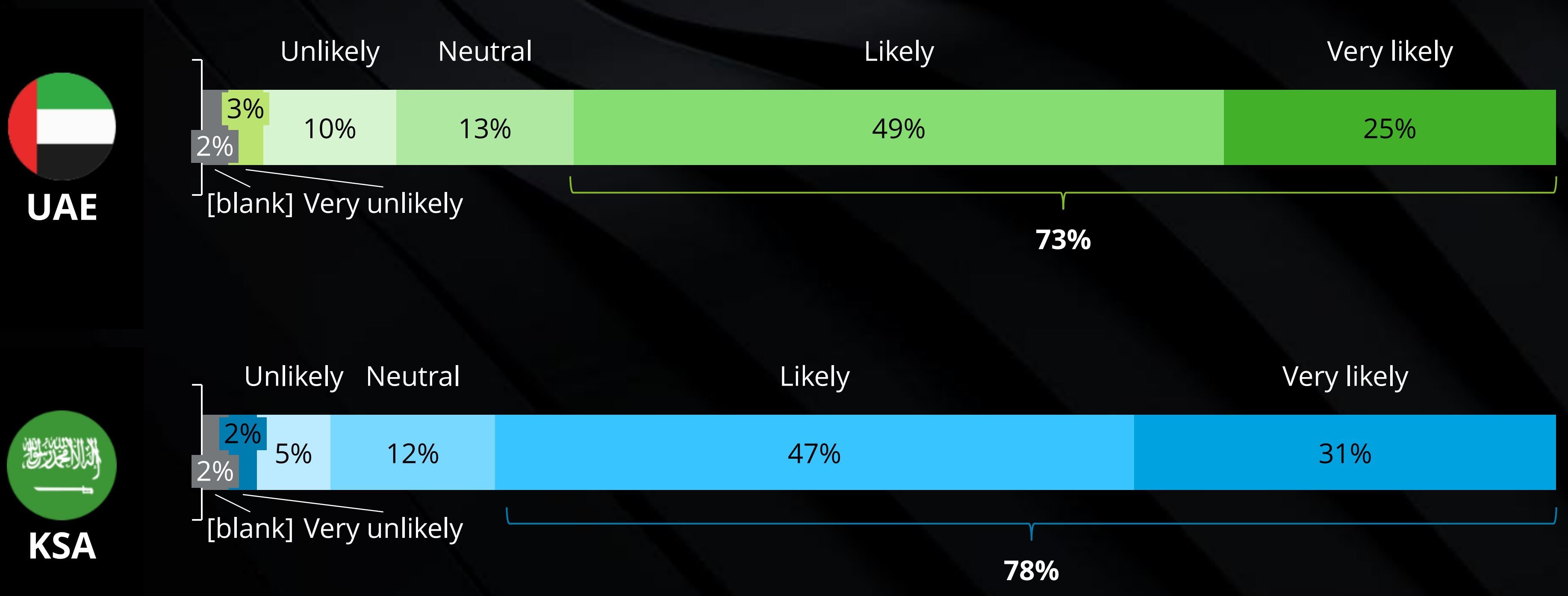
Q52. To what extent would you be willing to pay extra for each of the following connected vehicle services?

Sample size: UAE n = 989; KSA n = 976

Awareness and preferences | AI in vehicles

The integration of AI in personal vehicles is widely popular in both KSA and UAE, likely influenced by consumers' experience with AI in smartphones and home devices

View on Artificial Intelligence features

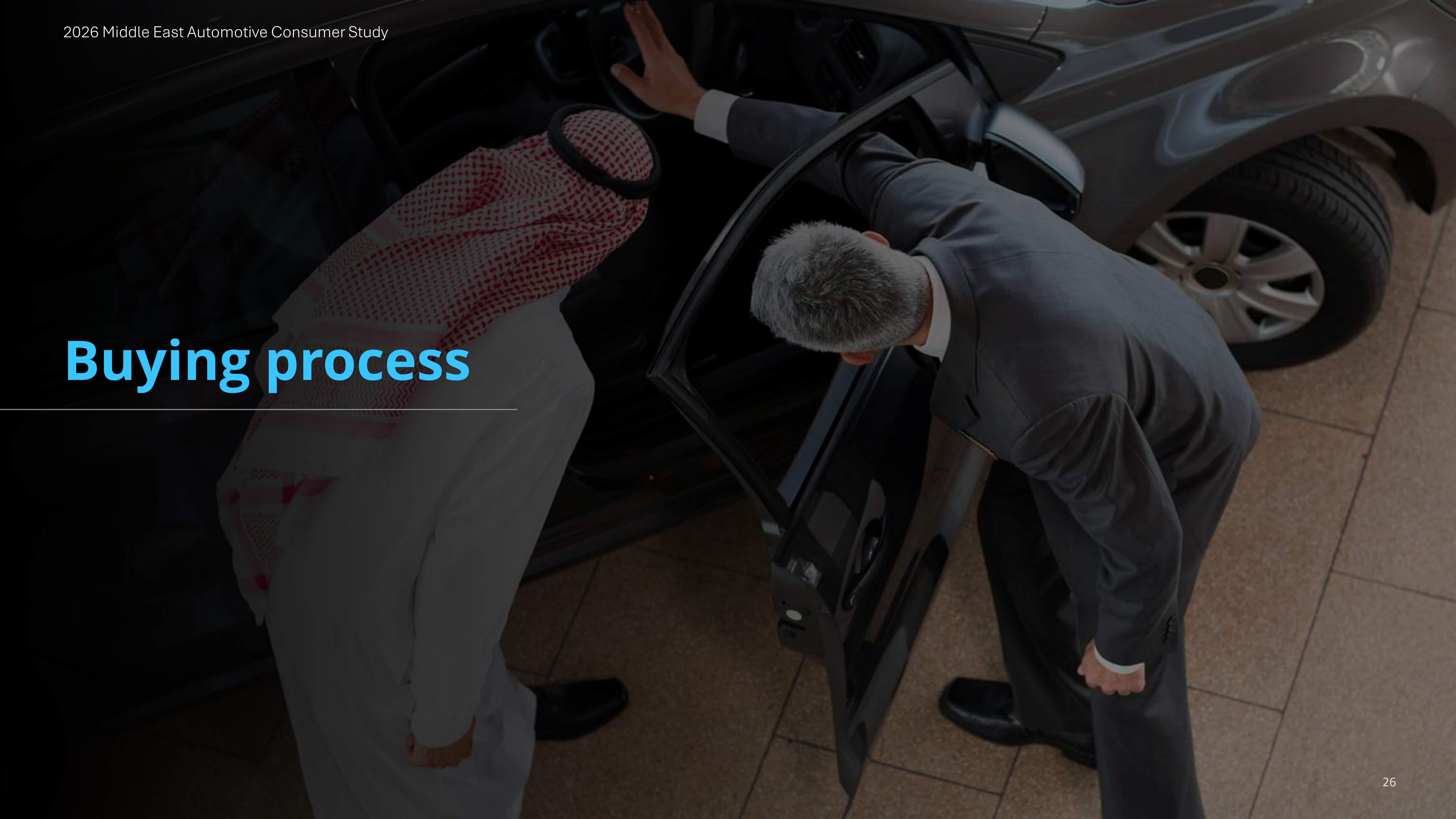


Global Context

- Chinese consumers show the most positive affinity for AI, with **over 76% believing that addition of AI in cars is useful**
- Consumers from Singapore showcase a strong sentiment for AI integration, **with 67% of them view that AI is useful**
- Consumers in countries like India and the United States are more divided, with **48% and 45%**, respectively, **believing that AI is useful in personal vehicles.**
- **Middle East is notably more AI-favorable than Western Europe**

Q60. How likely would you be to use such AI-enabled features in your next vehicle?

Sample size: UAE n = 989; KSA n = 976



Buying process

Buying process| Engagement: what buyers want

Trust, physical interaction, and clear information anchor the Middle East buying decision

Preferred channel for future vehicle purchase

UAE

Reasons	Percentage chosen
Building trust with salesperson	**35%**
Resource for post-purchase needs	33%
Physical interactions with the vehicle	29%
Getting all inquiries answered	25%
Low Pressure Experience	22%
Convenient location	21%
Efficient Process	20%
Complete process virtually	19%

KSA

Reasons	Percentage chosen
Building trust with salesperson	**40%**
Resource for post-purchase needs	28%
Physical interactions with the vehicle	28%
Getting all inquiries answered	25%
Low Pressure Experience	25%
Convenient location	20%
Efficient Process	19%
Complete process virtually	17%

Global Context

Globally, **more than 73% of consumers want to physically interact with their vehicles before purchasing**

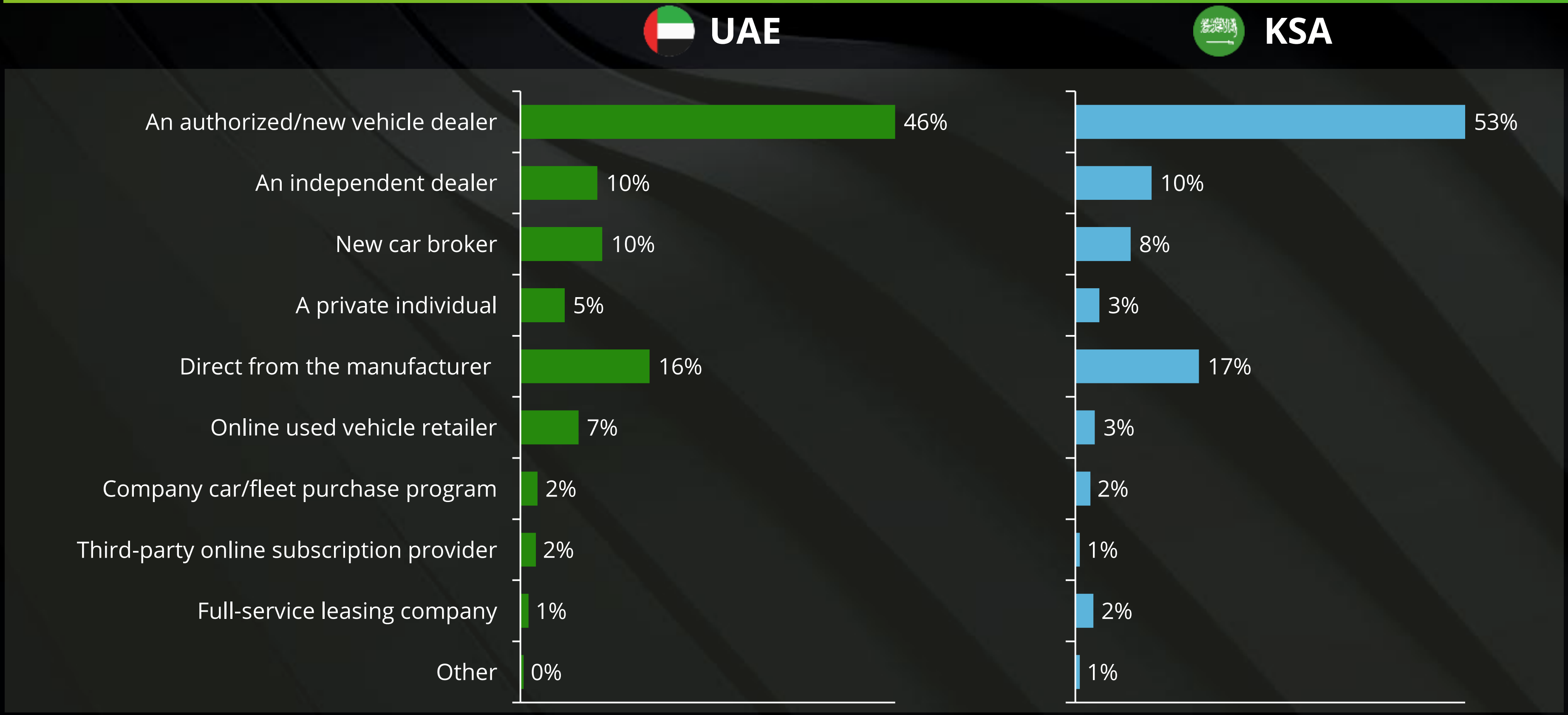
Q51. What are the top three most important aspects of your next vehicle purchase experience

Sample size: UAE n = 989. KSA n = 976

Buying process | Channel: where to buy

Authorized dealers still dominate, but interest in buying direct is the highest in EMEA

Preferred channel for future vehicle purchase



In the UAE, **those looking to buy directly from the manufacturer** have **decreased by 6 percentage points from 2025**

In the KSA, those **who prefer to buy directly from the manufacturer** have **decreased by 5 percentage points from 2025**

Retailer's Misalignment

Retailers are increasingly considering shifts in their retail formats **as traditional models show signs of disengagement and outdated tendencies**

Q33. Where do you intend to acquire your next vehicle?

Sample size: UAE n = 997; KSA n = 1,000

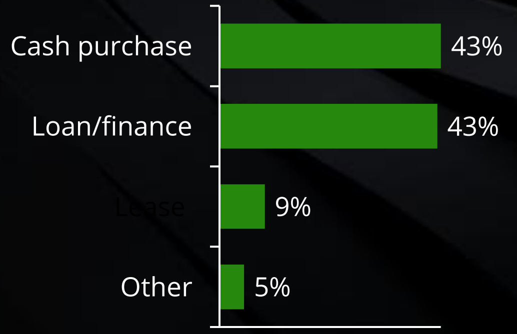
Note: (1) Currently, no manufacturers sell directly to consumers. However, the question is hypothetical to gauge future consumer preferences for purchasing their next vehicle

Buying process | Financing

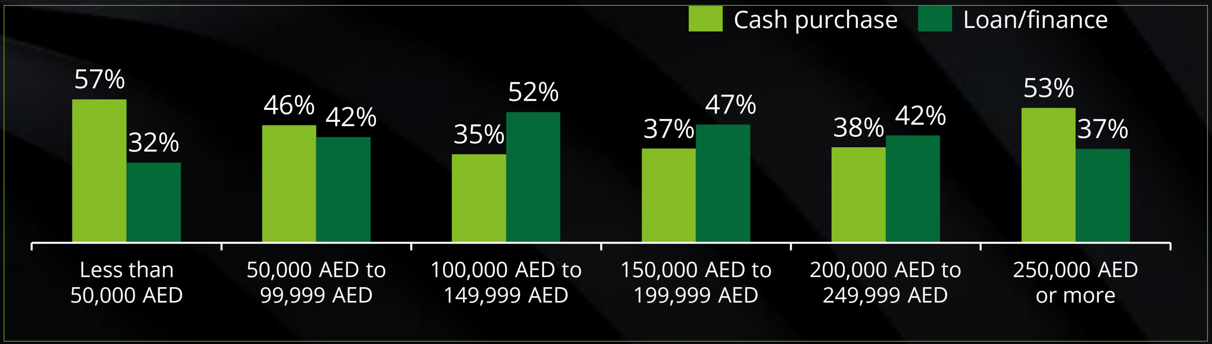
UAE splits evenly cash vs. finance; KSA stays cash-led but financing is rising

Expected means of acquiring future vehicle

UAE

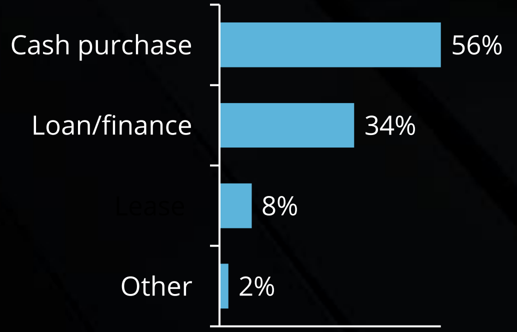


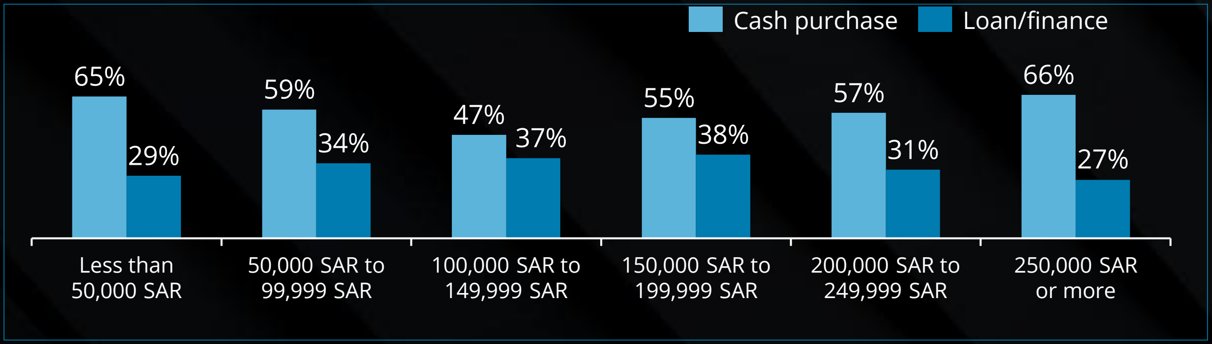
Variation in means of acquisition based on vehicle price



For UAE consumers, **there is no direct correlation between means of financing and price of vehicle**

KSA





For KSA consumers, **preference for paying with cash increases with budget**, while **financing declines**

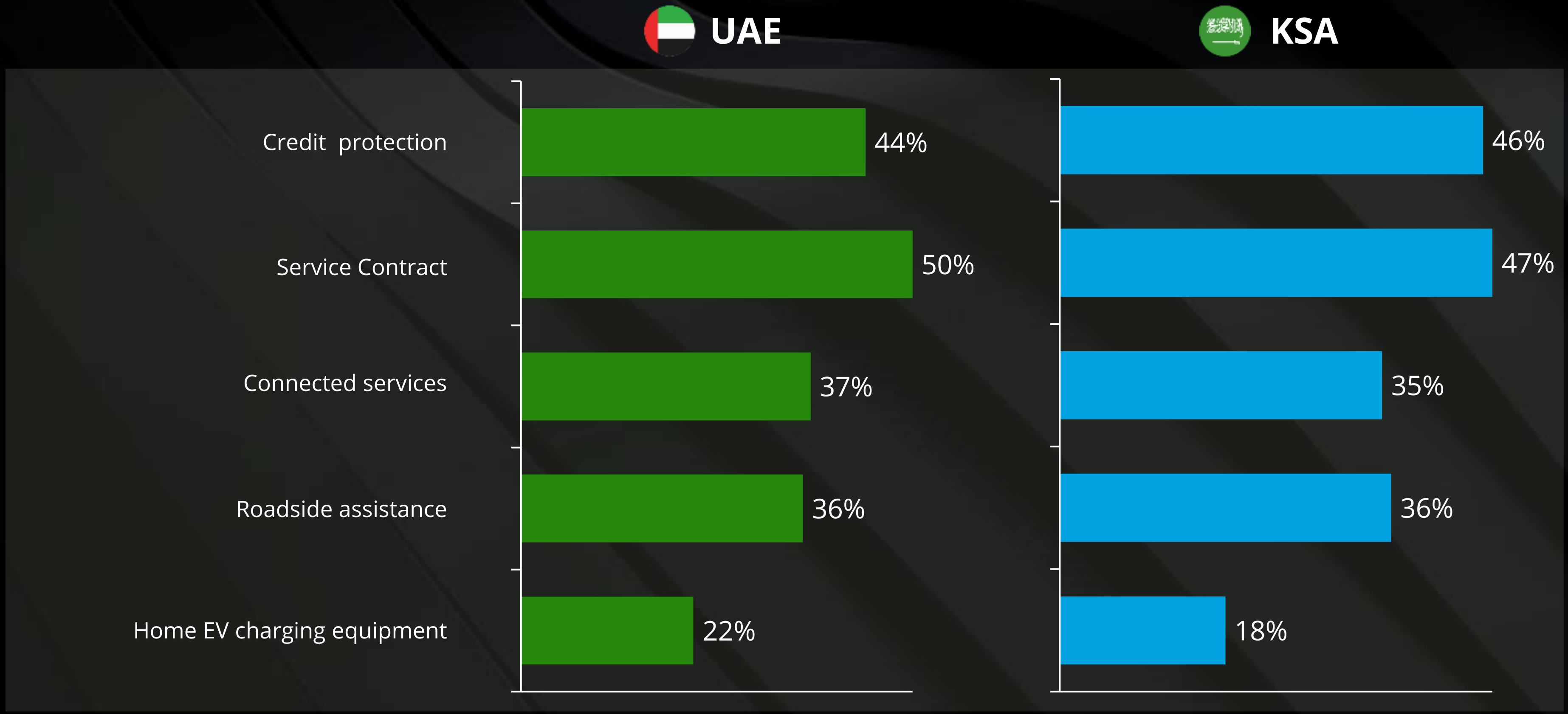
Q31. How do you intend to acquire your next vehicle?

Sample size: UAE n = 784, KSA n= 766

Buying process | Additional/protection services

Service contracts and credit protection lead post-purchase demand in both markets

Preferred services to be acquired upon purchase of a new vehicle



In both the UAE and KSA, **customers show a stronger tilt toward service contracts and credit protection**, suggesting longevity of maintenance and security for their vehicles

Q36. Where do you intend to acquire your next vehicle?

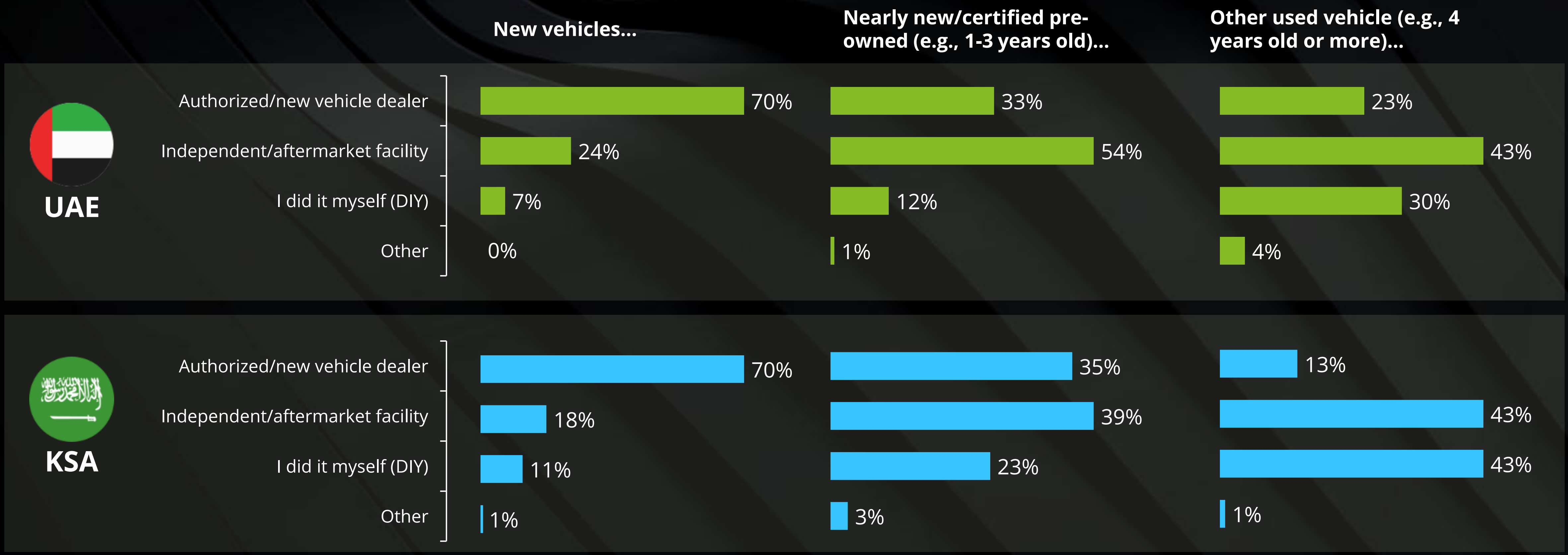
Sample size: UAE n = 784, KSA n= 766

Aftersales

Aftersales | The warranty cliff

The warranty cliff: dealers hold ~70% of new-vehicle service but lose ~50pp of share by year 4; retention plays for years 3–5 of ownership are the next dealer loyalty battleground

Recent **service provider of choice and vehicle type (age)**



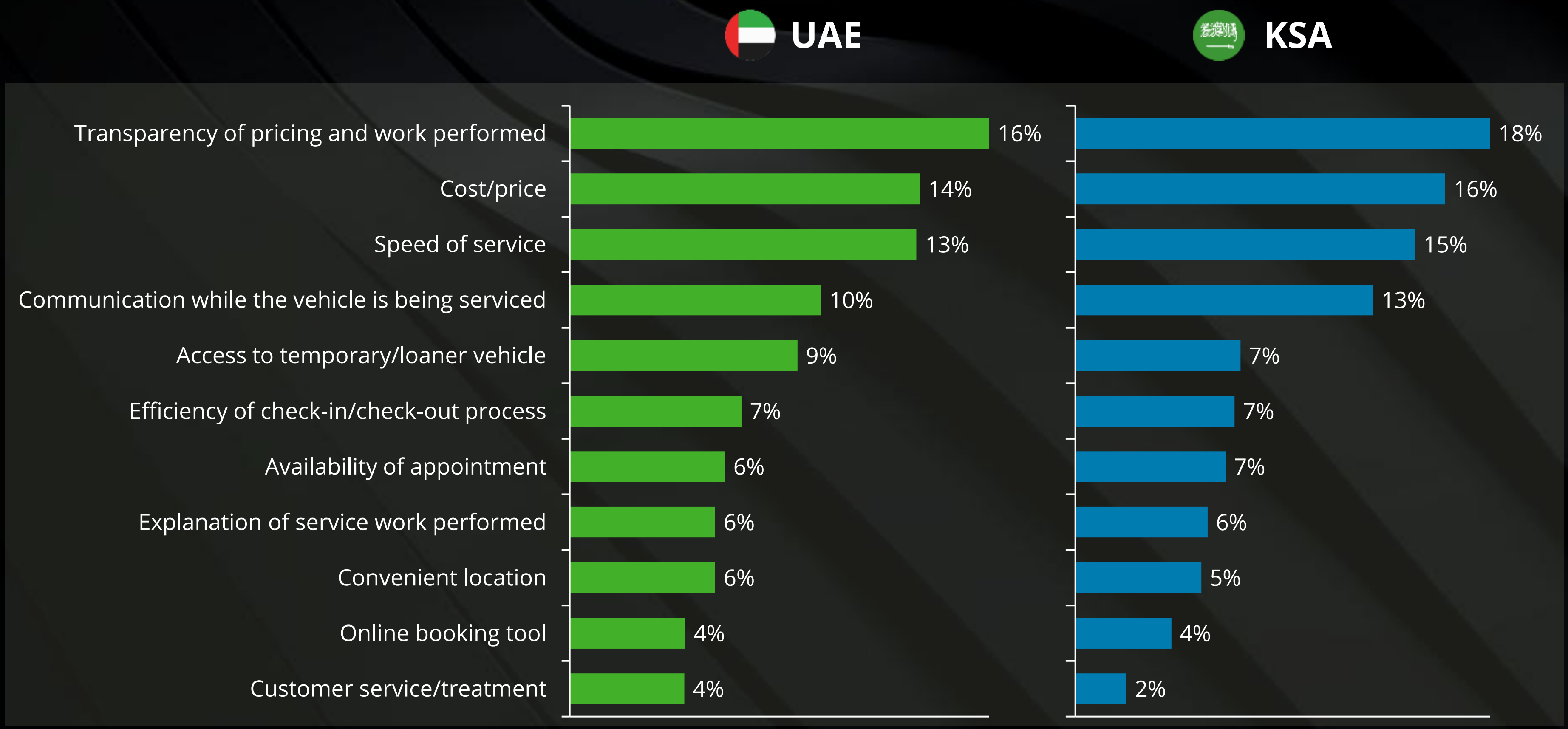
Q19. Where was your most recent vehicle service experience? | Q8. When you acquired your current vehicle, was it…

Sample size: UAE n = 881; KSA n = 872

Aftersales | Service experience priorities

Transparent pricing, cost, and speed define service quality across the Middle East

Preferred channel for future vehicle purchase



Across the UAE and KSA, transparency of pricing and work performed emerges as **the leading driver of service satisfaction**

Digital tools and customer service treatment rank comparatively lower, **likely reflecting baseline expectations of strong performance in these areas**

Trust and quality of work are **the top provider** choice drivers across EMEA too

Q21. What is the most important aspect of a vehicle service experience?

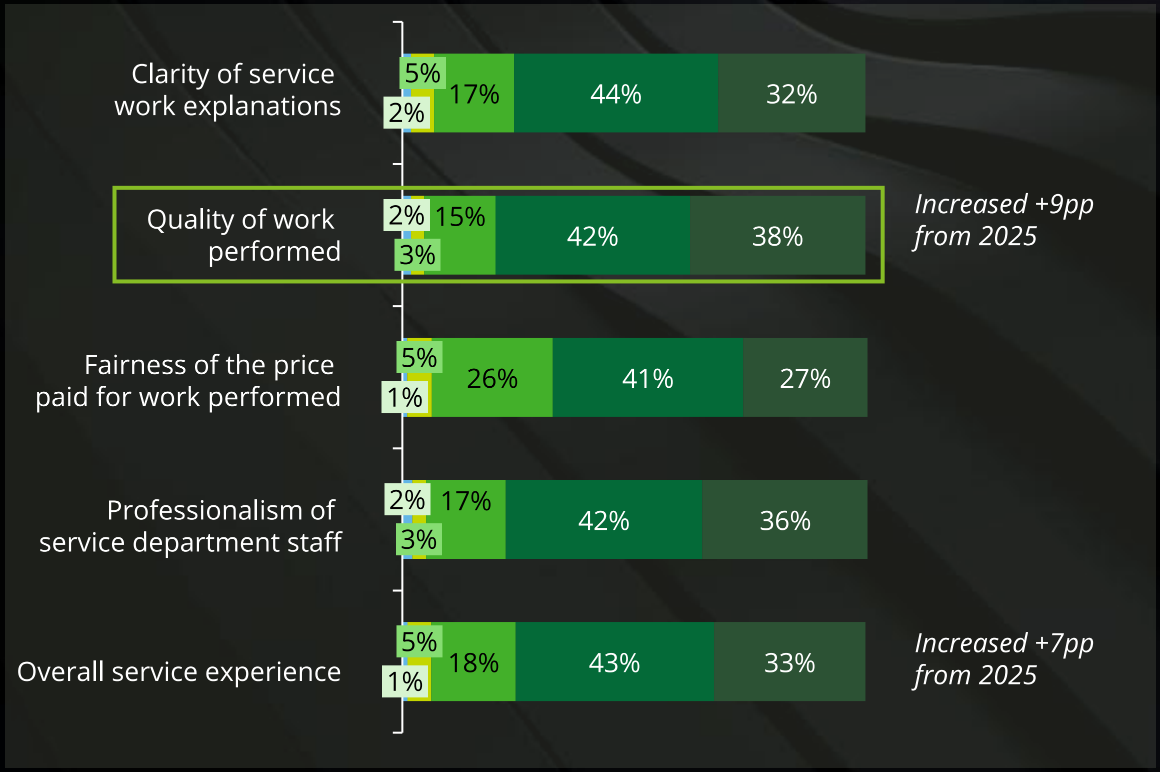
Sample size: UAE n = 784, KSA n= 766

Aftersales | Satisfaction level

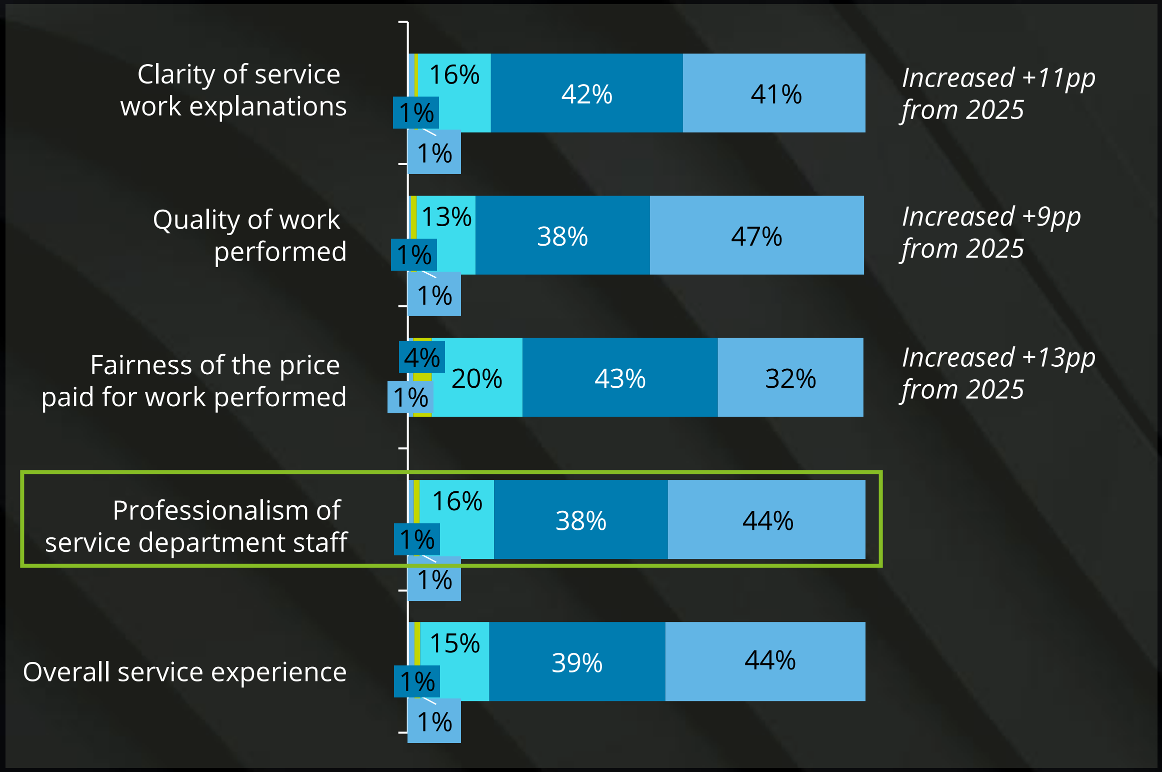
Satisfaction is rising, UAE strongest on quality of work, KSA on staff professionalism

Recent experience with service provider

UAE



KSA



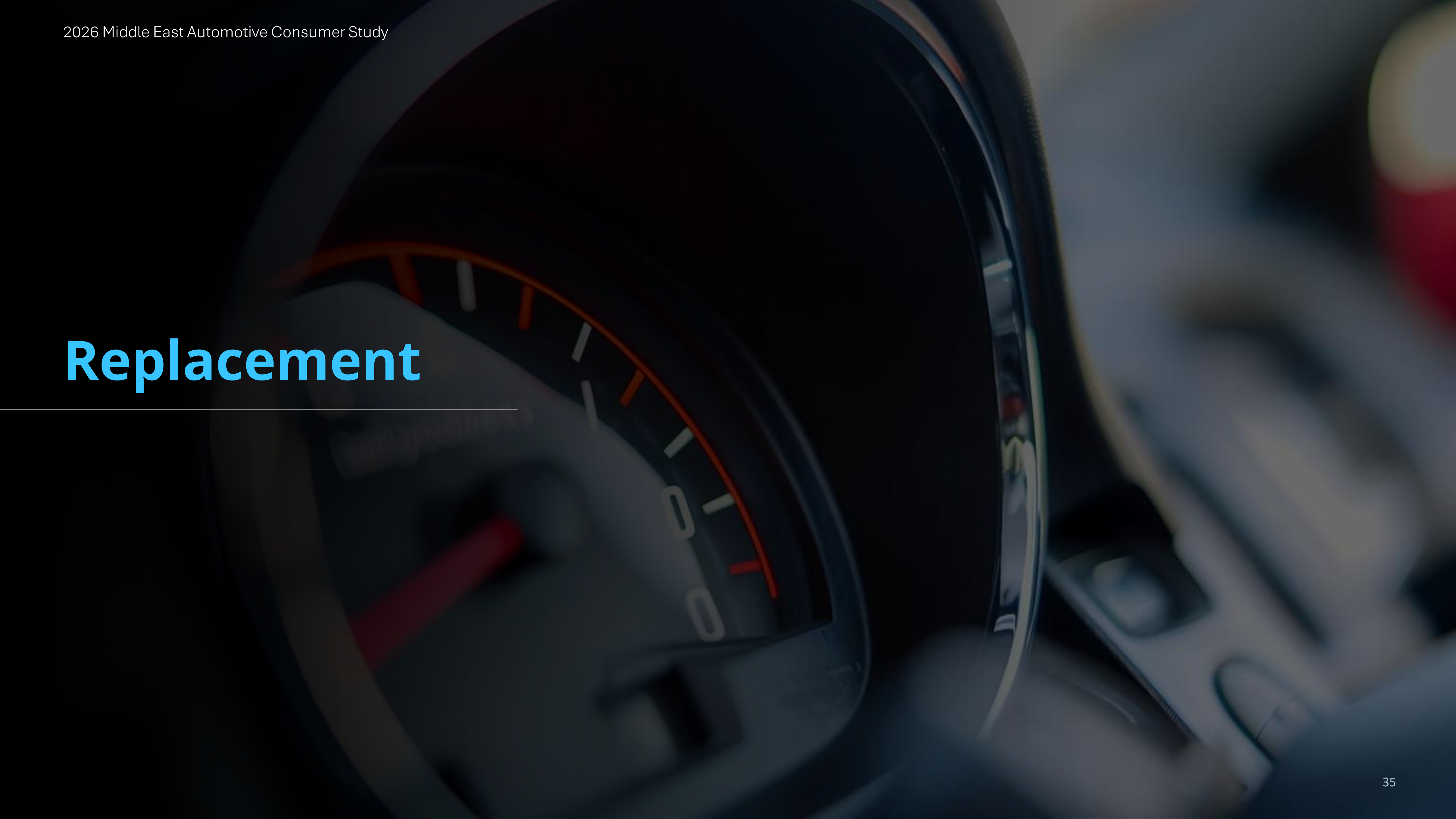
Q20. On a scale from 1-5 where 1 is very poor and 5 is very good, please rate your most recent vehicle service experience on the following criteria.

Very Good, Good, Fair, Poor, Very Poor

Most popular/relevant answer choice(s) **Legend:**

Very Poor, Poor, Fair, Good, Very Good

Legend: Most popular/relevant answer choice(s)

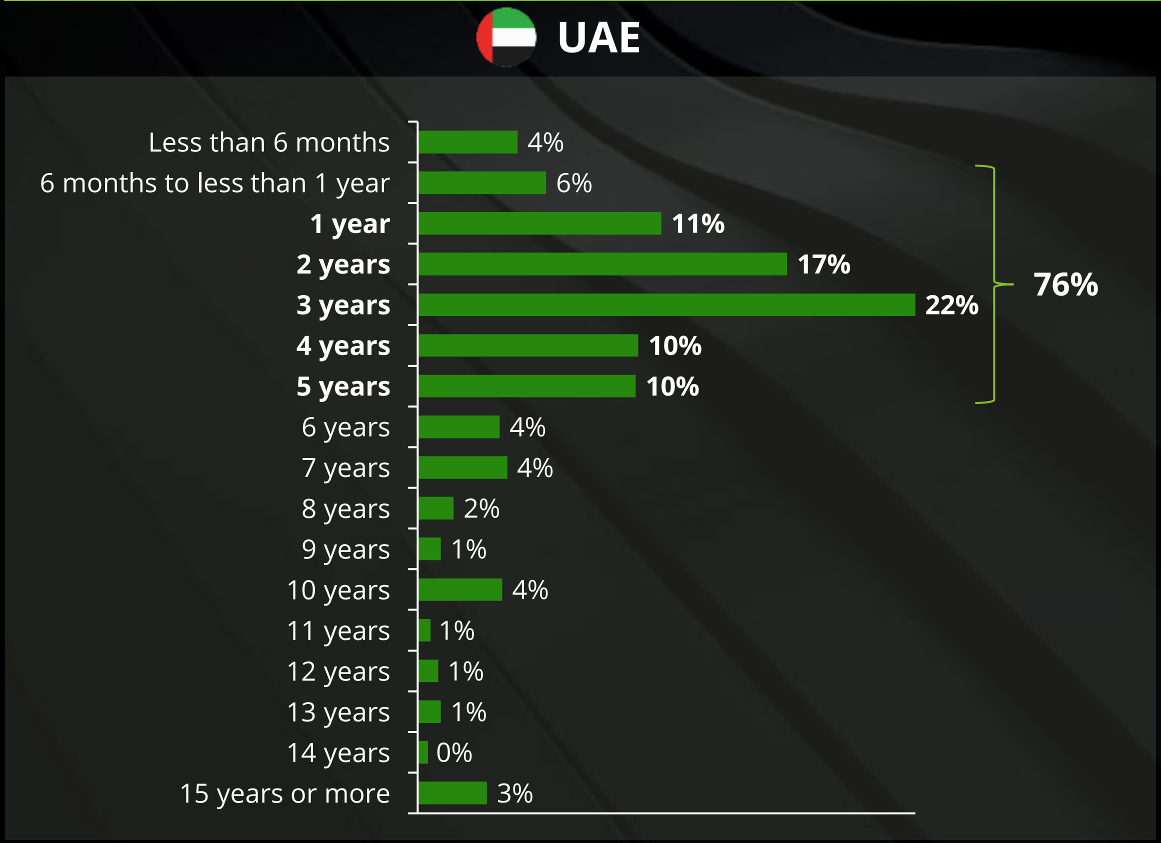


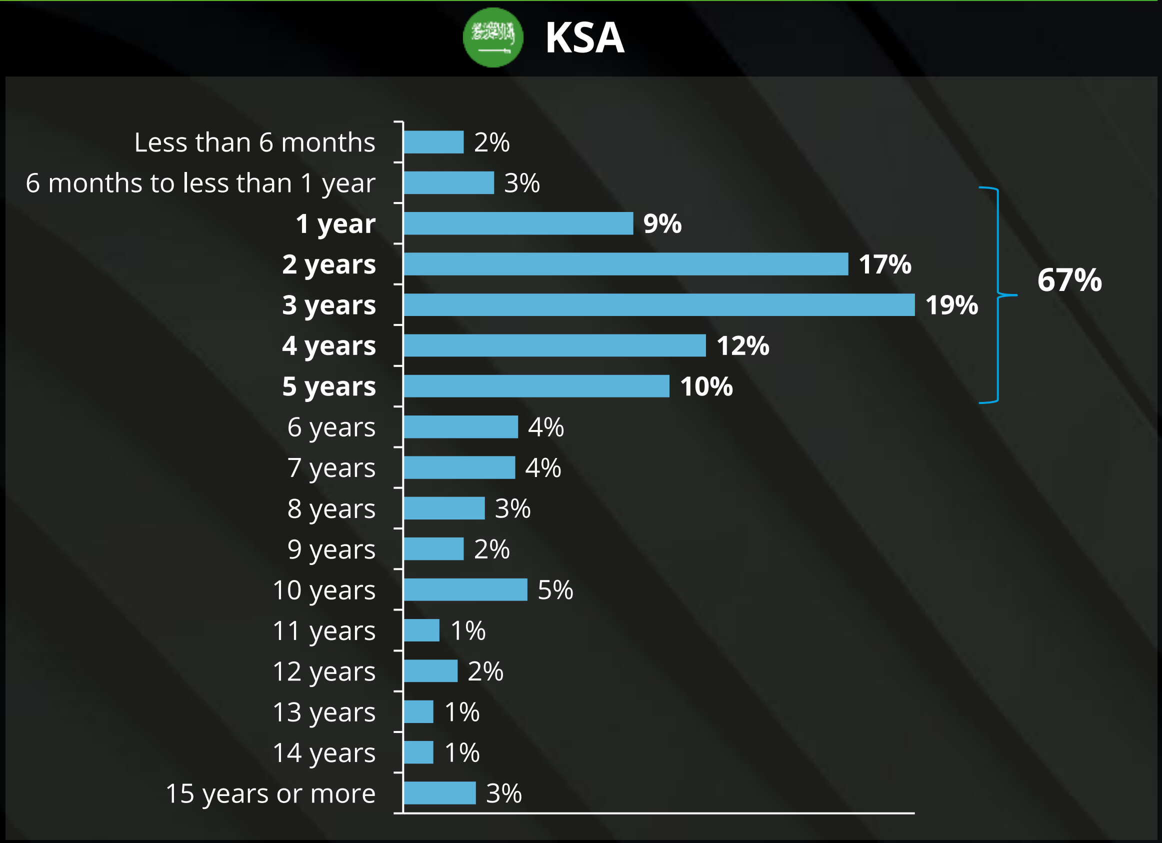
Replacement

Replacement | Current ownership timeframe

Most owners in both markets keep vehicles 1–5 years; UAE turns over slightly faster (76% vs 67%)

Current **vehicle ownership timeframe**





Q7. How long have you owned, leased, or subscribed to the vehicle you drive most often? | Q23. When do you expect to acquire your next vehicle?

Sample size: UAE n = 989; KSA n = 976

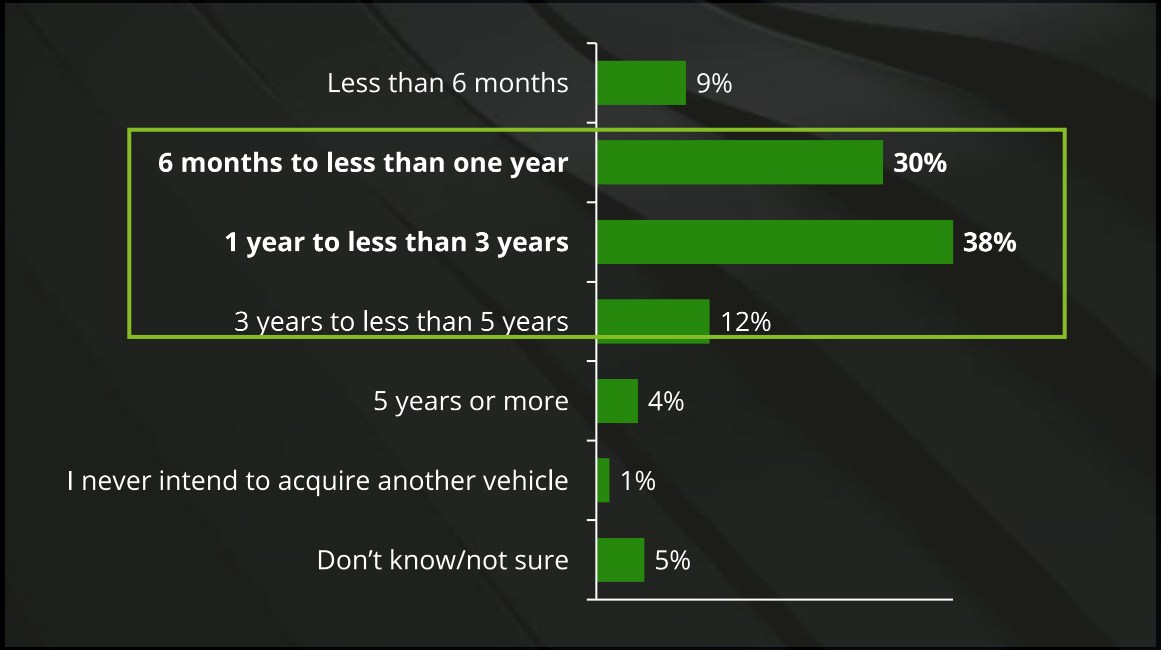
Replacement | Anticipated replacement timing

Replacement intent is concentrated in the next 6 months to 3 years, more so in the UAE

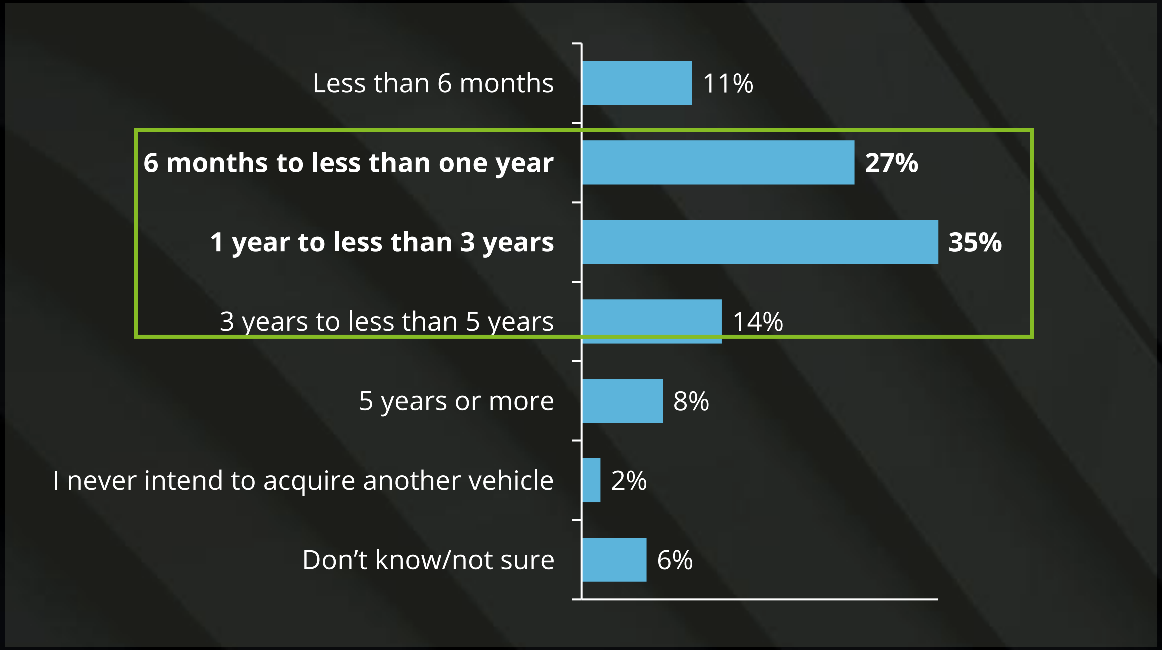
Legend: Most popular/relevant answer choice(s)

Anticipated **timeframe for acquiring the next vehicle**

UAE



KSA



KSA (81%) and UAE (73%) are the most willing in EMEA to keep a vehicle longer if it receives regular OTA updates - a retention lever for OEMs

Q23. When do you expect to acquire your next vehicle?

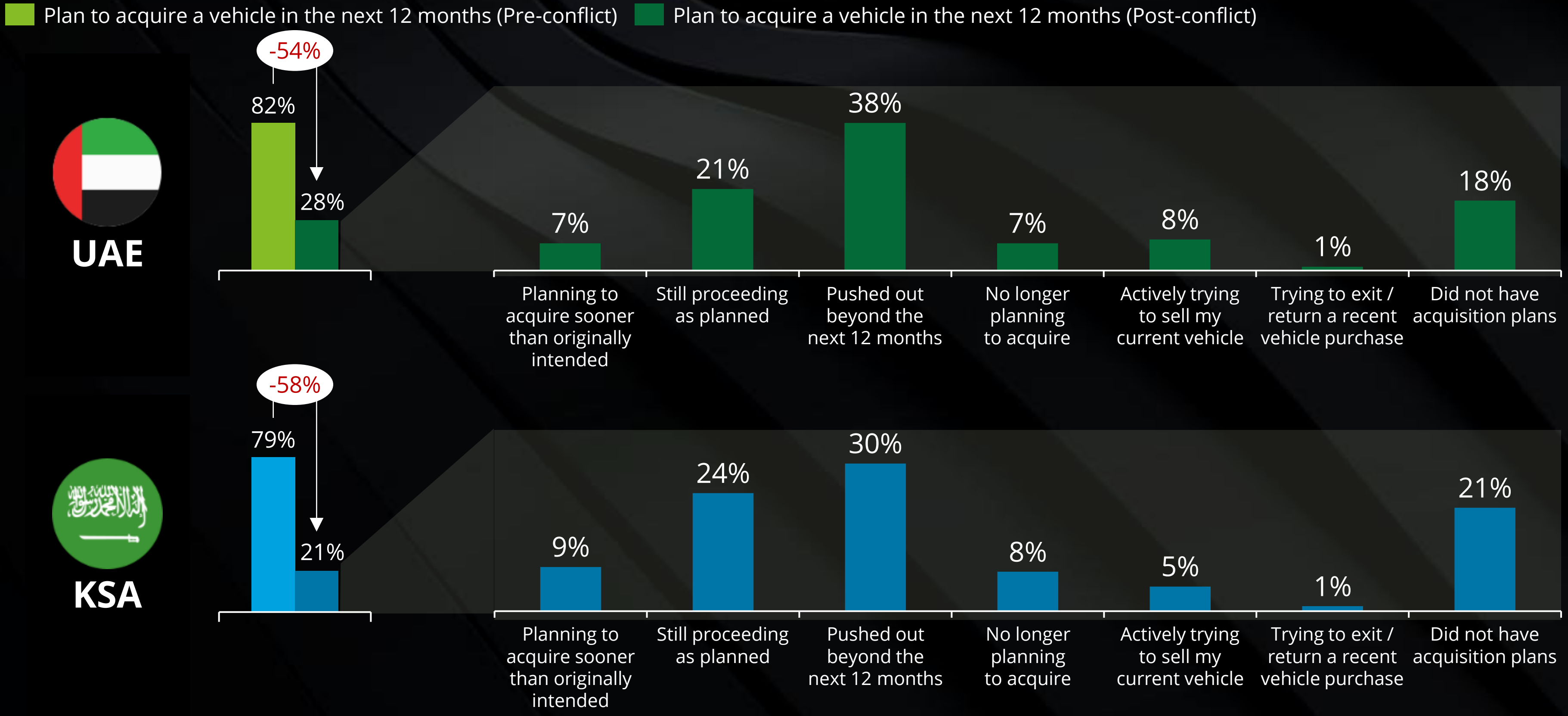
Sample size: UAE n = 989; KSA n = 976

Geopolitical Impact

Geopolitical impact | Purchase behavior: the demand shock

Post-conflict, 12-month purchase intent fell 54pp in the UAE and 58pp in KSA, but most buyers postponed rather than canceled

Changes in vehicle purchase behavior, based on current geopolitical landscape in the Middle East



Geopolitical Stability Effect

The shift in consumer behavior is significantly linked to their physical stability, **with data indicating that over 25% of the consumers were considering relocation from the current country of residence if the conflict continues**

Q11. Before the conflict began, did you plan to acquire a vehicle in the next 12 months? | Q12. How has that plan changed since the conflict began?

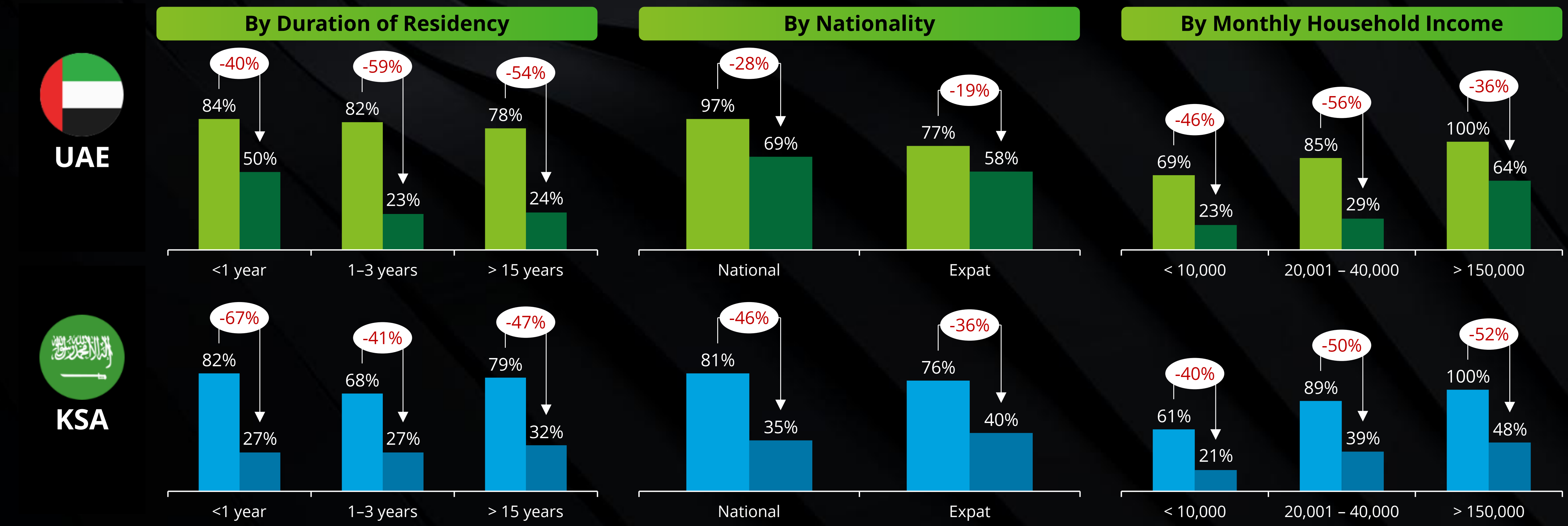
Sample size: UAE n = 500; KSA n = 500

Geopolitical impact | Purchase behavior by segment

The pullback is steep across every segment, but uneven, with expats, lower-and mid-income consumers being the most resilient demand pool in both markets

Changes in vehicle purchase behavior, based on current geopolitical landscape in the Middle East

Plan to acquire a vehicle in the next 12 months (Pre-conflict) | Plan to acquire a vehicle in the next 12 months (Post-conflict)



Q11. Before the conflict began, did you plan to acquire a vehicle in the next 12 months? | Q12. How has that plan changed since the conflict began?

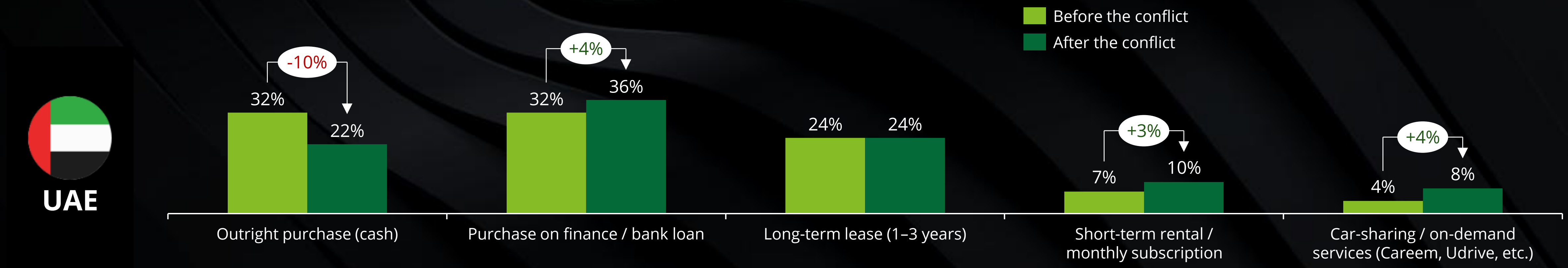
Sample size: UAE n = 500; KSA n = 500

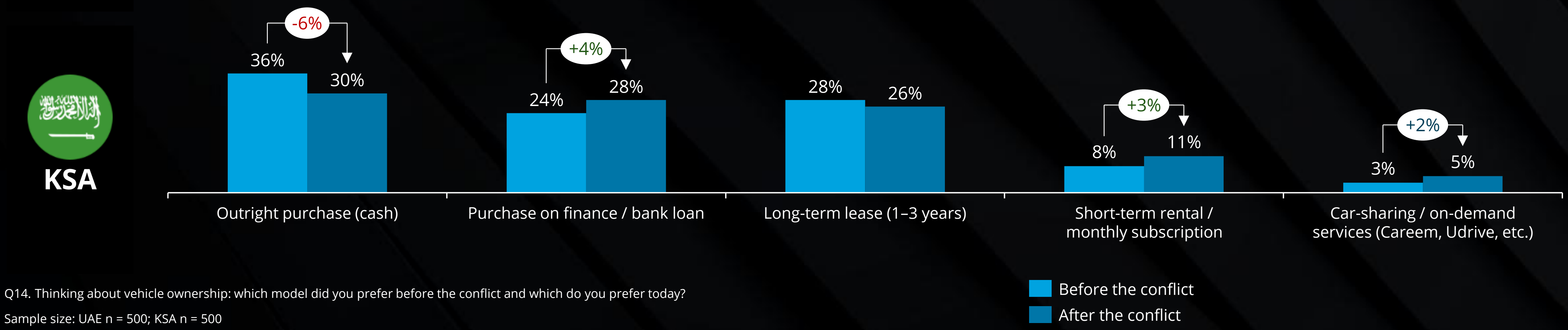
Plan to acquire a vehicle in the next 12 months (Pre-conflict) | Plan to acquire a vehicle in the next 12 months (Post-conflict)

Geopolitical impact | Mode of purchase shift

Due to the current geopolitical landscape, consumers are shifting toward cash security, collateral-based finance, and lower commitment rental/ride-share

Changes in vehicle mode of purchase preferences, based on current geopolitical landscape in the Middle East





Q14. Thinking about vehicle ownership: which model did you prefer before the conflict and which do you prefer today?

Sample size: UAE n = 500; KSA n = 500

Geopolitical impact | Purchase incentives: the conversion opportunity

Despite geopolitical uncertainty, 40% of Middle East consumers would buy now with the right offer, 22% are undecided, and 38% will not convert

Changes in vehicle purchase incentives, based on current geopolitical landscape in the Middle East

Open to opportunity

40%

indicated they would be incentivized to purchase a vehicle with the right offers, showing significant market opportunity

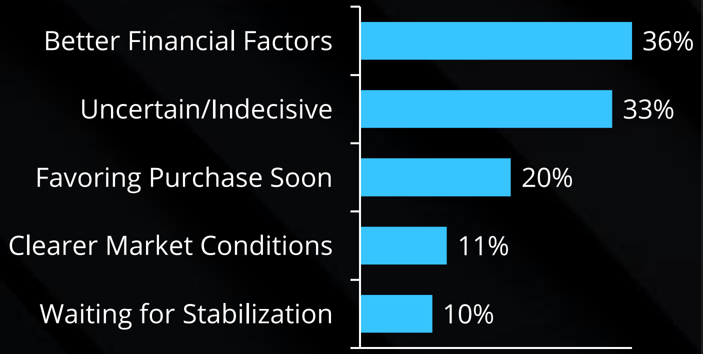
These consumers **WOULD** purchase if offered:

Fence-Sitters

22%

Are consumers who are currently uncertain about the market but could be converted with compelling value propositions

These consumers are **WAITING** for:

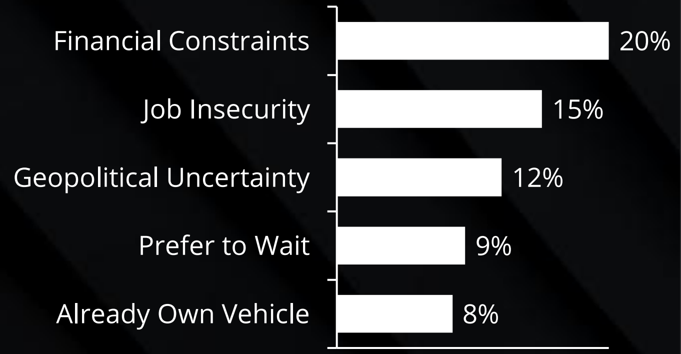


Conservatives

38%

Would not be incentivized to purchase regardless of offers, citing financial and geopolitical barriers

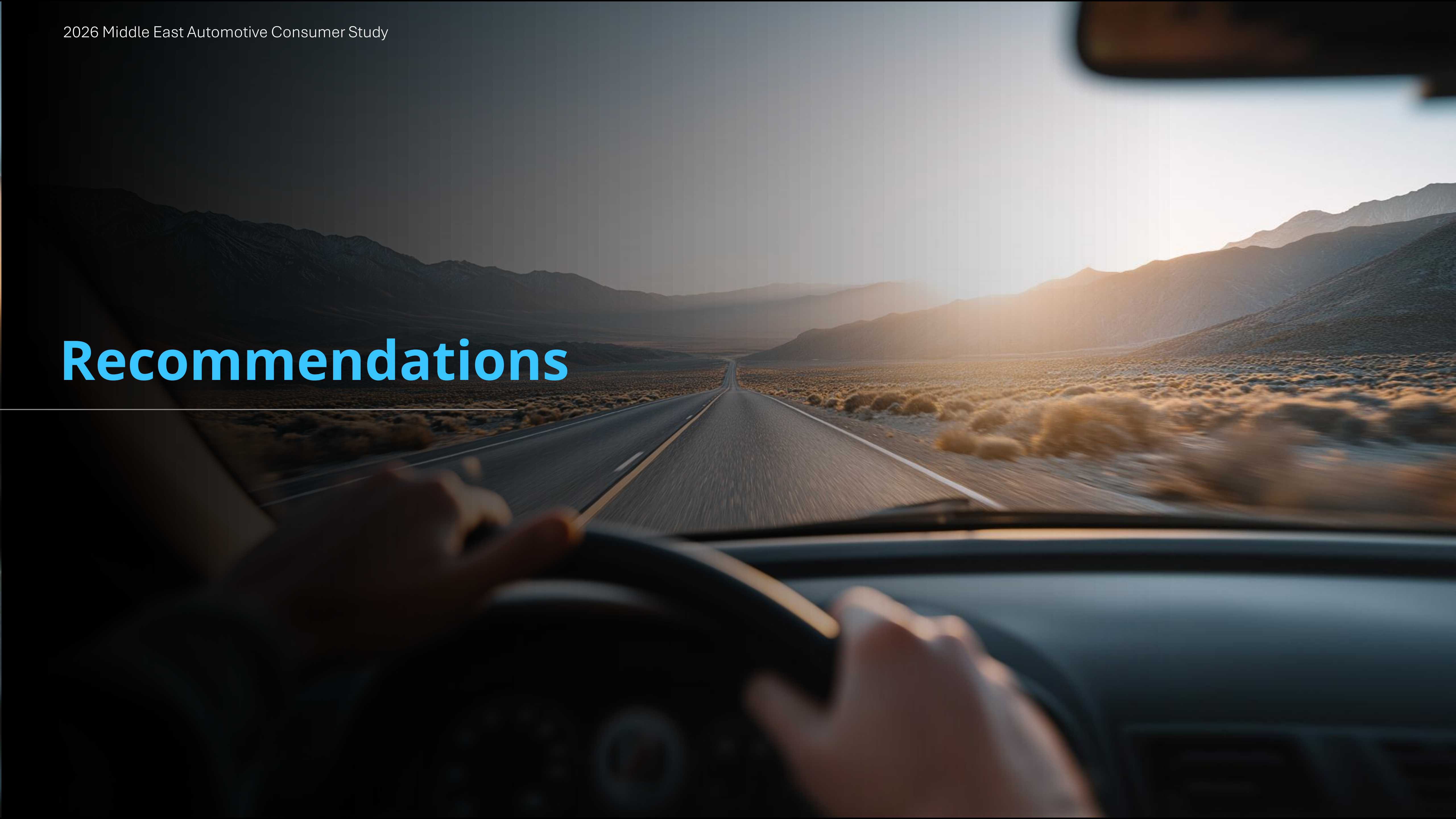
These consumers **CANNOT** purchase due to:



QOE_1. In the current environment, is there any specific offer, insurance, or guarantee that would make you feel more confident about purchasing a new vehicle today?

Sample size: n = 1250

Recommendations



Recommendations | At-a-glance

Deferred demand will return to whoever earned trust during the trough. This requires principals and distributor acting as one network—bundling protection at the PoS and defending the service relationships

Brand principals

OEM regional offices—set strategy, reach buyers only via their appointed agent

1. **Win the switching wave through your distributor**
   Fund conquest campaigns and trade-in guarantees your agent can run—82% / 79% switching openness moves whole-country share.
2. **Localize the EV value proposition**
   Driving experience for the UAE; running-cost economics for KSA. One regional message underperforms in both.
3. **Fund warranty & connected services centrally**
   Underwrite programs at principal level so the network bundles them as standard, not premium add-ons.
4. **Back the distributor's omnichannel build**
   Provide digital-retail tooling deployed under the agency—no channel bypass; trust and law anchor the sale locally.

Distributor-retail groups

Integrated conglomerates that import, retail, service, and finance the brand in-country—one organization, two agendas

Portfolio & network decisions group CEO / brand GMs

1. **Defend value, not price, against Chinese OEMs**
   Compete on brand, ownership experience and residual value rather than matching sticker prices.
2. **Run distinct UAE and KSA growth narratives**
   A price- and choice-led UAE (+8% CAGR) versus a Vision 2030, EV and local-manufacturing story in KSA (+3%).
3. **Plan for a ~12-month soft-demand window**
   Size inventory, targets, and cash to a postponement, not a collapse—intent fell 54pp / 58pp but buyers deferred.
4. **Stand up a financing & protection partner stack**
   0% finance, extended warranty, and insurance bundles with banks and insurers, ready for showroom teams to deploy.

Retail & aftersales operations retail / aftersales heads

1. **Own the post-warranty switch point (years 3–5)**
   Retention programmes before warranties lapse—dealers lose ~50pp of service share to independents and DIY.
2. **Build a 'digital research, physical close' model**
   Rich online discovery for UAE buyers, a strong dealer-led journey in KSA—the showroom still closes the sale.
3. **Convert the 40% 'open' segment with risk-reducers**
   Lead every conversation with warranty, 0% financing, and insurance—not price cuts.
4. **Make transparent pricing the signature**
   Clear, itemized service pricing and fast turnaround as the differentiator over independents post-warranty.

Contact us

Joerg Meiser
Partner
Automotive Leader
Monitor Deloitte | Deloitte Middle East
jomeiser@deloitte.com

Debarun Das
Senior Manager
Automotive
Monitor Deloitte | Deloitte Middle East
debarudas@deloitte.com

Marc Elie Jaklis
Manager
Automotive
Monitor Deloitte | Deloitte Middle East
mjaklis@deloitte.com

Together makes progress