

## **Middle East Car Rental - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2026 - 2031)**

Market Report | 2026-01-16 | 150 pages | Mordor Intelligence

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### **Report description:**

Middle East Car Rental Market Analysis

The Middle East car rental market size in 2026 is estimated at USD 3.41 billion, growing from 2025 value of USD 3.23 billion with 2031 projections showing USD 4.47 billion, growing at 5.57% CAGR over 2026-2031. Rising inbound tourism, premium-oriented mobility demand, and broad digital adoption underpin the expansion. International arrivals surpassed pre-pandemic levels by 32% in 2024, translating into 95 million visitors and sustained rental demand. App-based reservations already account for close to two-thirds of total transactions, while luxury and electric fleet niches record the fastest volume gains. Government-backed megaprojects such as Saudi Arabia's Vision 2030 and Expo 2030 are widening mobility corridors, encouraging fleet upgrades, and opening new off-airport revenue pools. Moderate market fragmentation, coupled with sizable venture funding, signals further consolidation.

Middle East Car Rental Market Trends and Insights

Tourism Rebound Across GCC Corridors

GCC destinations recorded a pronounced tourism recovery in 2024, led by Saudi Arabia's 69% surge in arrivals and tourism receipts of USD 60.6 billion. The United Arab Emirates contributed USD 59.9 billion to GDP from travel and tourism, equivalent to 11.7% of the economy. In the first half of 2025, Qatar welcomed a significant influx of one million visitors. Meanwhile, Kuwait is making substantial investments in visitor-centric infrastructure, indicating a rising demand for additional fleets. These

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cross-border movements require operators to strategically reposition vehicles across jurisdictions, establish robust corridor-based service strategies, and adapt to varying regulatory frameworks, all while leveraging the growing utilization rates.

### Rapid Shift to App-Based Bookings

High smartphone penetration and digital payments maturity enable mobile reservations to eclipse counter transactions, trimming distribution overheads and granting operators direct access to customer data. In the UAE, near-ubiquitous 5G coverage and consumer preference for contactless services accelerate the trend, while Saudi Arabia's youthful demographic amplifies mobile adoption. Embedded identity verification and keyless entry elevate user convenience, and predictive analytics refine fleet rotation. Firms that own proprietary apps bypass third-party commissions, enhance margins, and lock in lifetime customer value through loyalty tools.

### Ride-Hailing Substitution Pressure

The expansion of ride-hailing services in bustling metropolitan areas increasingly captures short city trips that once favored self-drive rentals. However, for multi-day tourism, family vacations, and intercity commutes, the allure of rental cars remains strong, sustaining a solid base of demand. In response to this shifting landscape, operators are ramping up their offerings, highlighting premium service tiers that elevate the rental experience. They're also bundling essential navigation tools and forging partnerships with e-hail platforms to create seamless blended mobility passes. By strategically positioning rentals for longer journeys and higher-value usage, they effectively minimize the loss of customers to on-demand rides, ensuring that the charm of a personal vehicle endures amidst the rising tide of convenience.

Other drivers and restraints analyzed in the detailed report include:

Mega-Events and Infrastructure Projects (Vision 2030, Expo 2030) Corporate Mobility-Subscription Adoption Labor-Nationalization Compliance Costs

For complete list of drivers and restraints, kindly check the Table Of Contents.

### Segment Analysis

Online reservations represented 62.12% of the Middle East car rental market size in 2025 and are projected to climb at a 6.74% CAGR during the forecast period. Offline counters still capture walk-in tourists at airports and hotels, but suffer higher overheads. Mobile-first interfaces support instant upgrades, add-ons, and loyalty redemption, shrinking booking lead times and lifting utilization. In the longer run, omnichannel strategies will persist, with physical outlets pivoting toward customer support and vehicle handover while digital funnels handle sales, payments, and upselling.

Competition centers on proprietary apps versus marketplace aggregators. Operators that integrate real-time vehicle availability, digital KYC, and keyless pick-ups are lowering transaction times. The UAE's smartphone penetration accelerates uptake, and Saudi Arabia follows closely, aided by widespread 4G coverage. Kuwait and Oman remain more reliant on desk bookings but are steadily onboarding mobile solutions as consumer expectations shift.

Leisure and tourism rentals supplied 95.10% of the Middle East car rental market revenue in 2025, advancing at a forecast 7.22% CAGR through 2031. Mega-events and relaxed visa regimes sustain destination appeal across Dubai, Doha, Riyadh, and Muscat. Nevertheless, corporate demand is diversifying revenue streams as multinationals locate regional headquarters in Saudi Arabia and the United Arab Emirates.

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Seasonality risk tied to holiday peaks is being diluted by year-round conferences and project-driven travel. Firms adept at serving both tourists and executives optimize fleet mix, rotating economy cars during peak visitor influx and allocating premium sedans for business accounts in shoulder months. This dual-market posture stabilizes cash flow and raises overall utilization.

The Middle East Car Rental Market is Segmented by Booking Type (Online and Offline), Application (Leisure/Tourism, Daily Utility/Business), Vehicle Type (Economy, Luxury and Premium), End-User Type (Self-Driven and Chauffeur), Service Model (On-Airport, and Off-airport/Local), Propulsion (Internal-Combustion ICE, Electric and Hybrid), and Country. The Market Forecasts are Provided in Terms of Value (USD).

List of Companies Covered in this Report:

Avis Budget Group Hertz Corporation Enterprise Holdings Inc. Sixt SE Europcar Mobility Group Lumi Rental Company Theeb Rent A Car Yelo Fast Rent A Car Al Talaa International Transportation Co (Hanco) Telgani Company

Additional Benefits:

The market estimate (ME) sheet in Excel format  
3 months of analyst support

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