



Press Release

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How will women change the automotive market in KSA?

- 20% of women are projected to drive based on their age and income qualification by 2020
- Car sales are expected to grow by 9% per annum until 2025 boosted by the new women customer segment
- Annual growth rate for car leasing is expected to pick up substantially with an annual growth rate of 4% over 2017 -2025
- The motor insurance market is expected to grow by 9% annually between 2017-2020 to reach SAR 30bn
- Large number of new jobs will be created across segments of the automotive sector to serve the growing demand

Riyadh, KSA–March 8, 2018: In September 2017, Saudi Arabia announced in a royal decree that it would allow women to drive by June 2018. A decision that presents a great number of opportunities not only for the Government, strategic investors, motor insurance companies, car leasing companies, pension funds and private investors but to the sector as whole in creating innovative solutions to serve the demand.

The report published today by PwC Middle East on the occasion of International Women’s Day titled “***Women driving the transformation of KSA automotive market***”, looks into key opportunities for the automotive market in Saudi Arabia, that can be summarised in four key areas.

The first of which is a priority in the Kingdom’s Vision 2030 and that is creating new job opportunities for Saudi nationals, second, incremental capital investment to build new road infrastructure, third an increase in insurance revenue as insurance premiums will be recalculated, and finally establishing new women - only driving schools.

Hala Kudwah, PwC Saudi Arabia Financial Services & Consulting Leader, said: “Saudi women have been behind numerous achievements and now visibly behind the wheel.”
Adding “When considering the scale of the market, our analysis tells us that there’s an opportunity to increase the number of driving institutions in the kingdom by over 50% , an increase that will be translated into job opportunities for our females.”

The total number of female drivers in Saudi Arabia is projected to reach three million in 2020, which will have a profound impact on a number of areas ranging from car sales to motor insurance, car leasing and driving schools.

Kudwah added "There would be dependencies such as necessary infrastructure and services to support female drivers; for example, women driving instructors, driving schools, licenses issuance , etc. However we are mindful of the significance of early successes to fully reap the fruits of this milestone in the women empowerment journey.”

Specifically, car sales and car leasing are expected to pick up substantially, with an expected annual growth rate of 9% and 4% until 2025 respectively, given the substantial new women customer segment.

On the other hand, the highly competitive motor insurance market will benefit from the new women drivers as it creates opportunities for new motor insurance providers, products and services, in addition to reshaping the motor insurance landscape. The motor insurance is expected to grow by 9% annually between 2017 - 2020 to reach SAR30bn.

Commenting on the report Laurent Depolla - Partner/Deals Strategy and Operations Middle East Leader said “ This is an exciting time as Saudi Arabia has taken concrete steps to advance the gender equality agenda, which in turn will boost the Kingdom’s automotive market and present an array of opportunities for market players and investors.”

For the Full report: <https://www.pwc.com/me/womendrivinginsaudi>

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