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The Automotive Industry in the Levant and GCC: Market Dynamics, Chinese EV Disruption, and Five-Year Strategic Outlook

Executive Summary

The automotive markets of the Levant and Gulf Cooperation Council (GCC) regions are experiencing unprecedented transformation, driven by economic diversification, technological disruption, and the aggressive expansion of Chinese electric vehicle manufacturers. In a remarkable shift that would have seemed impossible just a decade ago, Chinese automotive brands are projected to capture a staggering 34% market share in the Middle East and Africa region by 2030, representing more than a tripling from their current 10% position in 2024. This seismic transformation presents both extraordinary opportunities and significant challenges for regional stakeholders, requiring strategic adaptation and proactive policy responses that will fundamentally reshape the automotive landscape across these markets.

I - Current Market Analysis

The GCC Automotive Market: A Story of Robust Growth

The Gulf Cooperation Council's automotive sector demonstrates remarkable resilience and growth patterns across multiple segments, reflecting the region's economic dynamism and increasing consumer sophistication. The new vehicle market tells a particularly compelling story of expansion, with the GCC Passenger Car Market valued at USD 27.14 billion in 2023 and projected to reach an impressive USD 46.62 billion by 2029, representing a compound annual growth rate of 9.53%. This growth trajectory reflects not merely increasing wealth but a fundamental transformation in mobility patterns across the Gulf states. Saudi Arabia

continues to dominate the regional landscape, with approximately 759,000 new vehicles sold in 2023, representing the highest volume across all GCC nations. The Kingdom's market leadership stems from its large population, extensive geographic area requiring personal transportation, and ambitious economic diversification programs that are creating new employment centers and urban developments. The United Arab Emirates follows as the second-largest market, though with a notably different character. While Saudi Arabia focuses on volume, the UAE market demonstrates a pronounced shift toward premium and electric vehicles, with nearly 35,000 EVs sold in 2023 compared to Saudi Arabia's more modest 1,500 units, highlighting the different market dynamics and consumer preferences between these neighbouring nations.

The used car market represents an equally dynamic segment of the GCC automotive ecosystem. Valued at USD 22.7 billion in 2024, this market is expected to reach USD 48.47 billion by 2033, growing at a compound annual growth rate of 7.97%. This robust growth in the secondary market reflects several important trends, including the increasing quality and longevity of modern vehicles, the development of certified pre-owned programs that provide warranty coverage and quality assurance, and the growing acceptance of used vehicles among middle-class consumers who seek value without compromising on quality. Saudi Arabia captured 57.9% of the regional used car market while the UAE held 20.2% of total vehicles sold in 2021, demonstrating the concentration of this market in the region's two largest economies.

The aftermarket sector, often overlooked but critically important to the overall automotive ecosystem, shows equally impressive growth patterns. The GCC Automotive Aftermarket Market, valued at USD 11.7 billion in 2024, is forecast to reach USD 17.3 billion by 2032, growing at a steady compound annual growth rate of 5.0%. This growth reflects not only the expanding vehicle park but also the increasing sophistication of vehicle maintenance and customisation culture in the region, where extreme weather conditions and demanding driving environments create substantial demand for parts, services, and accessories.

The Levant Markets: Navigating Through Turbulence

The Levant region presents a starkly contrasting picture to the GCC's prosperity, characterised by economic volatility, political uncertainty, and market fragmentation that creates both challenges and unexpected opportunities. Lebanon's automotive market exemplifies this volatility in dramatic fashion. After growing 7.8% in 2024, marking its fifth consecutive year of expansion though remaining below pre-COVID levels, the market experienced a sharp reversal in 2025, with first-half figures

plummeting 33.1%. This dramatic swing reflects the country's broader economic challenges, including currency devaluation, political instability, and the ongoing impact of regional conflicts.

Despite these challenges, Lebanon's market shows interesting dynamics that reveal consumer resilience and adaptation. Toyota maintains a dominant 39.4% market share, followed by Nissan with 31.5%, reflecting Lebanese consumers' preference for reliable, fuel-efficient vehicles that can withstand the country's challenging road conditions and uncertain fuel availability. Perhaps most surprisingly, Lebanon's electric vehicle sector grew 39% in 2024, though from a very low base, suggesting that even in challenging economic conditions, some consumers are looking toward future-oriented transportation solutions.

Jordan presents a somewhat more stable but equally complex market environment. The country's automotive market fell 11.9% in the first half of 2025, following years of volatility that have made planning difficult for dealers and distributors. However, Jordan has emerged as an unexpected leader in electric vehicle adoption within the Levant region. In a remarkable development, electric vehicles led the market with 3,076 units sold in one particularly strong month, accounting for 75.5% of total sales and marking an increase of 26.44% over previous periods. The Changan E-Star BEV became the best-selling car in Jordan during the first quarter of 2024, selling 950 units, a development that would have seemed impossible just a few years ago and signals a fundamental shift in consumer preferences driven by favourable import duties and government policies supporting clean transportation.

II- The Chinese Electric Vehicle Revolution

Understanding the Dynamics of Market Penetration

The expansion of Chinese automakers into the Middle Eastern automotive landscape represents one of the most significant disruptions in the global automotive industry's recent history. This isn't merely about selling cars; it's about a fundamental reimagining of what vehicles can be, how they're sold, and what value propositions resonate with Middle Eastern consumers. The current market position of Chinese brands tells a story of rapid acceleration that caught many traditional players off guard.

In the UAE, Chinese brands' market share jumped from 4% to nearly 7% in 2024, with unit sales increasing by an impressive 86%. This growth wasn't achieved through traditional automotive marketing approaches but through a sophisticated understanding of local market dynamics and consumer psychology. Key market indicators reveal the depth of this transformation, with a 77% increase in consumer

inquiries for Chinese vehicles in late 2024 and a 56% surge in Chinese car listings on platforms like DubiCars. These numbers don't just represent sales; they indicate a fundamental shift in consumer perception, where Chinese vehicles have moved from being viewed as budget alternatives to being considered serious contenders in multiple market segments. The physical presence of Chinese brands across the region has been equally impressive. BYD, perhaps the most aggressive of the Chinese manufacturers, has established multiple Showroom and Discovery Centers across the entire region. In Saudi Arabia alone, the company has presence in Riyadh, Jeddah, and Dharan, each location strategically chosen to maximise market reach and brand visibility. The UAE hosts facilities in Dubai, Abu Dhabi, Ras al Khaimah, and Sharjah, while similar expansions have occurred in Qatar's Doha, Bahrain's Sitra, Oman's Muscat, and Kuwait's Al Rai district. By 2024, over ten Chinese automakers had introduced electric vehicles in the Middle East, creating a competitive dynamic that has forced traditional manufacturers to reconsider their strategies.

The Competitive Advantages Reshaping Market Dynamics

Chinese electric vehicles are gaining traction through several key advantages that traditional manufacturers struggle to match. Price competitiveness remains the most obvious advantage, with Chinese vehicles typically priced 20-30% below their European rivals while offering comparable or even superior features. However, focusing solely on price would be to misunderstand the sophistication of the Chinese approach. These manufacturers have invested heavily in technology integration, offering advanced driver assistance systems, over-the-air updates, and smart connectivity features that appeal to tech-savvy Middle Eastern consumers who view their vehicles as extensions of their digital lifestyles.

The battery technology leadership of Chinese companies provides another crucial advantage. Companies like CATL and BYD don't just manufacture batteries; they dominate global battery production with cost-effective lithium iron phosphate (LFP) technology that offers excellent safety characteristics and longevity, particularly important in the Middle East's extreme climate conditions. This vertical integration allows Chinese manufacturers to control costs and quality in ways that traditional automakers, dependent on external battery suppliers, simply cannot match. Furthermore, the substantial backing from the Chinese government for international expansion provides these companies with financial resources and political support that enables aggressive pricing strategies and rapid market entry that would be impossible for purely commercial enterprises.

III- Five-Year Market Projections (2025-2030)

Charting the Trajectory of Overall Market Growth

The next five years will witness a transformation of the Middle Eastern automotive landscape that will fundamentally alter not just what people drive, but how they think about transportation, energy, and environmental responsibility. The GCC region's total automotive market is expected to grow from its current USD 27.14 billion to USD 46.62 billion by 2029, a trajectory that reflects not just population growth and economic expansion but a fundamental shift in the region's economic structure as it moves away from oil dependence toward a more diversified, sustainable economic model.

The electric vehicle segment will experience particularly explosive growth, with the GCC Electric Vehicles market projected to grow at a compound annual growth rate of 22.06% during the 2023-2030 period. This growth will see the EV market expand from 40.3 thousand units in 2024 to 97.3 thousand units by 2033, representing not just a quantitative increase but a qualitative transformation in consumer preferences and market dynamics. Chinese carmakers are projected to account for 34% of the Middle East and Africa automotive market by 2030, up from 10% in 2024, a rate of market share gain that has few precedents in automotive history. Electric vehicle sales are projected to reach 30.05 thousand units in the GCC in 2025, potentially reaching 36.62 thousand units by 2029, with the majority of this growth driven by Chinese brands offering compelling combinations of technology, price, and features.

Segment-Specific Evolution Patterns

The evolution of electric vehicle adoption across the region will not be uniform but will instead reflect the unique characteristics and policy environments of different markets. Saudi Arabia and the UAE will continue to lead EV adoption, with their combined market share expected to exceed 60% of regional EV sales by 2030. This concentration reflects not just these countries' wealth but their ambitious infrastructure development programs, supportive government policies, and populations increasingly concerned with environmental sustainability and technological innovation. Jordan is expected to maintain its surprisingly high EV penetration rate, currently exceeding 45% in some periods, driven by favourable import duty structures that make electric vehicles economically competitive with traditional internal combustion engine vehicles. Lebanon and other Levant markets will see slower but steady EV growth, constrained by economic challenges and infrastructure limitations but still moving inexorably toward electrification.

The used car market will undergo its own transformation, nearly doubling from USD 22.7 billion to USD 48.47 billion by 2033. This growth will be driven not just by traditional factors like population growth and economic expansion but by an increasing shift toward certified pre-owned electric vehicles as first-generation electric vehicles enter the secondary market. This development will be crucial for democratising access to electric vehicles, allowing middle-income consumers to participate in the electric revolution without bearing the full cost of new vehicle ownership.

The commercial vehicle sector, often overlooked in discussions of electrification but crucial to the region's economy, is projected to grow from USD 13.7 billion in 2023 to USD 21.6 billion by 2030 at a compound annual growth rate of 6.60%. This growth will be driven by the region's ambitious infrastructure development programs, the expansion of e-commerce requiring last-mile delivery solutions, and increasing environmental regulations pushing fleet operators toward cleaner alternatives.

IV- Critical Market Challenges

Infrastructure Limitations Creating Development Bottlenecks

Despite the impressive growth projections and market enthusiasm, significant infrastructure limitations threaten to constrain the automotive sector's development. The charging infrastructure gap remains the most visible challenge, with the current network inadequate to support mass EV adoption outside major urban centers. While Dubai and Abu Dhabi have made impressive strides in deploying charging stations, the infrastructure becomes sparse quickly outside these metropolitan areas, creating range anxiety that deters potential EV buyers. The problem extends beyond simple charger availability to include grid capacity constraints that could struggle to support the additional electrical load from widespread EV adoption, particularly during peak summer months when air conditioning already strains the electrical infrastructure.

The logistics and distribution challenges are equally significant though less visible to consumers. Poorly maintained road networks in parts of the GCC contribute to delays and increased logistics costs, while complex import regulations and varying standards across countries create administrative burdens that increase costs and slow market development. The lack of comprehensive infrastructure for supporting electric vehicle adoption, including charging stations, service centers, and trained technicians, creates a chicken-and-egg problem where consumers hesitate to buy

EVs due to infrastructure concerns, while infrastructure developers hesitate to invest without clear demand signals.

Economic and Market Barriers Impeding Progress

The high initial costs of electric vehicles and advanced commercial vehicles continue to pose significant barriers to market expansion. These advanced technologies drive up manufacturing costs, resulting in higher purchase prices that strain the budgets of small and medium enterprises looking to electrify their fleets. While total cost of ownership calculations often favour electric vehicles over their lifetime, the upfront capital requirement remains a significant hurdle, particularly in markets with limited financing options for EV purchases. The situation is further complicated by the lack of established residual value models for electric vehicles, making lessors and financiers hesitant to offer competitive terms.

Perhaps the most significant economic distortion comes from the region's historically high fuel subsidies, which make conventional vehicles more economically attractive than they would be under market conditions. These artificially low fuel prices reduce the economic incentive for EV adoption, particularly for price-sensitive consumers who focus on immediate costs rather than long-term savings. While several GCC countries have begun reducing fuel subsidies as part of broader economic reforms, the pace of change remains slow, and gasoline prices in the region remain among the lowest globally, undermining the economic case for electrification.

Regional Instability and Economic Volatility in the Levant

The Levant region faces unique challenges that compound the difficulties of automotive market development. Lebanon's economic situation exemplifies these challenges, with GDP projected to grow only 4.7% in 2025 following a 7.1% contraction in 2024, representing a cumulative decline of nearly 40% since 2019. This economic collapse has devastated purchasing power, made financing nearly impossible to obtain, and created currency instability that makes pricing and planning extremely difficult for automotive businesses.

Jordan's situation, while more stable than Lebanon's, still presents significant challenges. The economy is projected to grow only 2.4% in 2025, a rate insufficient to meaningfully reduce unemployment, which has remained above 20% since 2020. This combination of slow growth and high unemployment constrains consumer purchasing power and makes major purchases like vehicles increasingly difficult for average families. Regional conflicts continue to affect logistics and distribution networks, creating supply chain uncertainties that increase costs and complicate

inventory management. Currency fluctuations impact import costs, making pricing difficult and eroding already thin profit margins for dealers and distributors.

V- Strategic Solutions and Recommendations

Government Policy Framework for Transformation

Governments across the Levant and GCC regions must take decisive action to facilitate the automotive sector's transformation while protecting local interests and ensuring sustainable development. The immediate priority for 2025-2026 should focus on establishing public-private partnerships for charging infrastructure deployment that leverage government land and regulatory power with private sector capital and expertise. Mandating EV charging installations in new commercial and residential developments will create a baseline infrastructure that grows organically with urban development. Creating dedicated EV lanes and parking incentives in major cities will provide immediate tangible benefits to early adopters while raising awareness among the broader population.

Looking toward the medium term of 2027-2028, governments should focus on developing intercity fast-charging corridors connecting GCC capitals, transforming electric vehicles from urban runabouts to viable options for regional travel. Implementing smart grid upgrades to handle increased electrical load will be essential, requiring coordination between automotive and energy policies. Establishing battery recycling and second-life programs will address environmental concerns while creating new economic opportunities in the circular economy.

The long-term goals for 2029-2030 should include achieving a minimum ratio of one public charging point per ten EVs, ensuring that infrastructure growth keeps pace with vehicle adoption. Completing renewable energy integration for charging infrastructure will ensure that electric vehicles deliver their full environmental benefits rather than simply shifting emissions from tailpipes to power plants. Establishing regional EV manufacturing hubs will create employment, develop local expertise, and reduce dependence on imports while positioning the region as a potential export base for Africa and South Asia.

The regulatory framework requires equally careful attention. Developing unified GCC standards for EV safety and performance will reduce complexity for manufacturers while ensuring consumer protection. Implementing battery passport systems for traceability and safety will address concerns about battery quality and environmental impact. Establishing regulatory standards specifically designed to prevent the region from becoming a dumping ground for low-quality Chinese exports will be crucial for maintaining consumer confidence and market

sustainability. This should include progressive reduction of fuel subsidies with compensatory EV purchase incentives that maintain affordability while shifting consumer preferences, tax holidays for EV manufacturing and assembly operations to attract investment, and import duty exemptions for EV components and batteries to reduce costs while local supply chains develop.

Industry Strategies for Market Evolution

Automotive industry players must develop sophisticated strategies that go beyond traditional approaches to succeed in this rapidly evolving market. Partnership strategies with Chinese OEMs should focus on establishing joint ventures for local assembly operations that provide market access while developing local capabilities. Technology transfer agreements for battery and motor production will be crucial for developing genuine local expertise rather than simply assembling imported components. Co-development of region-specific models that address local preferences for size, features, and performance will differentiate successful partnerships from simple import arrangements.

Regional collaboration among GCC companies could create competitive advantages through economies of scale and shared resources. Creating a GCC automotive alliance for shared research and development could pool resources to compete with global players. Developing regional supply chain networks would reduce costs and improve resilience while establishing common platforms for parts and service would improve efficiency and reduce consumer costs.

Business model innovation will be essential for overcoming current market barriers. Developing battery-as-a-service models could reduce upfront costs by separating vehicle and battery ownership, addressing one of the primary barriers to EV adoption. Creating comprehensive mobility-as-a-service platforms that integrate various transportation modes could position forward-thinking companies for the future of urban mobility. Establishing certified pre-owned EV programs with warranties would develop the secondary market while providing affordable entry points for price-sensitive consumers.

Traditional dealers must rapidly upskill sales and service personnel for EV technology, requiring substantial investment in training and equipment. Investment in specialised EV service equipment will be necessary to maintain and repair these vehicles, while developing energy management consulting services could create new revenue streams by helping consumers optimise their charging and energy use. New entrants should focus on underserved segments like commercial EVs and last-mile delivery, where electrification offers clear economic benefits. Leveraging digital-

first sales models can reduce costs while appealing to younger, tech-savvy consumers, while creating experiential marketing campaigns that allow consumers to experience EVs firsthand will be crucial for overcoming skepticism and range anxiety.

Financial Sector Innovation and Support

Financial institutions must develop innovative products and risk management frameworks to support the automotive transformation. Consumer finance innovations should include green auto loans with preferential rates for EVs that recognise their environmental benefits and potentially lower operating costs. Lease-to-own programs with battery warranties could address concerns about battery longevity while providing affordable access to EVs. Insurance products tailored for EV risks, including battery damage and charging-related incidents, will be essential for consumer confidence.

Corporate solutions should focus on fleet financing packages using total cost of ownership models that recognise the long-term savings from electrification. Working capital solutions for charging infrastructure operators will be crucial for supporting infrastructure development, while green bonds for sustainable transportation projects could mobilise institutional capital for large-scale infrastructure development.

Risk management frameworks must evolve to address the unique characteristics of electric vehicles. Developing residual value models for EVs will be crucial for lease and finance products, requiring new analytical approaches that consider battery degradation and technology obsolescence. Creating battery degradation assessment tools will help evaluate vehicle condition and value, while establishing secondary market mechanisms for used EVs will provide exit strategies for financiers and confidence for buyers.

Technology and Infrastructure Development Priorities

Technology and infrastructure providers must focus on deploying solutions that address current limitations while preparing for future growth. Charging infrastructure solutions should prioritise deploying ultra-fast charging stations of 350kW or higher along highways to enable long-distance travel. Developing solar-integrated charging stations will reduce operating costs while demonstrating environmental commitment, and implementing dynamic pricing based on grid load will help manage demand while potentially reducing costs for off-peak charging.

Business models for infrastructure providers should include charging-as-a-service for commercial properties, reducing upfront investment requirements while ensuring

professional operation and maintenance. Roaming agreements between charging networks will improve user experience by allowing seamless access across different providers, while integration with renewable energy providers will ensure environmental benefits are maximised. Grid modernisation efforts should include vehicle-to-grid pilot programs that explore using EV batteries as distributed energy storage, potentially providing new revenue streams for EV owners while supporting grid stability. Smart charging management systems will optimise charging schedules to minimise grid impact while reducing costs, and energy storage solutions at charging hubs will buffer demand spikes while potentially enabling fast charging in locations with limited grid capacity.

VI- The Chinese EV Factor - Detailed Five-Year Impact Analysis

Market Evolution Scenario Mapping Through 2030

The progression of Chinese automotive brands in the Middle Eastern market from 2025 to 2030 will follow a predictable yet transformative path that fundamentally reshapes the competitive landscape. In 2025, the acceleration phase will see Chinese brands achieving 15% market share in the GCC, a significant increase from current levels but still leaving room for traditional players to respond. BYD, Geely, and Changan will establish assembly operations during this period, marking a shift from pure importation to local production that will reduce costs, improve delivery times, and demonstrate long-term commitment to the region. The first locally assembled Chinese EVs rolling out of these facilities will mark a psychological turning point, transforming Chinese brands from importers to local manufacturers.

The year 2026 will bring market disruption as Chinese market share reaches 20%, driven by aggressive pricing strategies that undercut competitors by significant margins. Price wars will intensify as Chinese brands leverage their cost advantages to gain market share, forcing traditional manufacturers to choose between maintaining margins or market position. Traditional dealers, recognising the shifting landscape, will begin partnering with Chinese brands, providing established distribution networks and local market knowledge that accelerate Chinese brand penetration.

During the consolidation period of 2027, market share will stabilise around 25% as initial quality concerns are addressed through expanding local service networks and improved customer support. Government intervention to protect local employment will likely emerge during this period, potentially through local content requirements or partnership mandates that ensure economic benefits remain within the region. This period will also see the maturation of Chinese brands from disruptors to

established players, with increasing focus on brand building and customer loyalty rather than pure market share gains.

The integration phase of 2028 will see Chinese brands achieving 30% market share, supported by a full ecosystem including dedicated financing and insurance products tailored to their vehicles. Technology transfer agreements signed in earlier years will begin bearing fruit, with local facilities producing components and systems rather than simply assembling imported kits. This deeper integration will make Chinese brands increasingly embedded in the local economy, making any potential future restrictions more difficult and economically damaging.

By 2029-2030, Chinese brands will reach their projected 34% market share, fundamentally altering the competitive landscape. Local production will exceed imports, demonstrating the success of localisation strategies and providing economic benefits through employment and industrial development. The establishment of regional export hubs for Africa and South Asia will position the GCC as a manufacturing center rather than simply a market, creating new economic opportunities and strategic importance.

Comprehensive Sectoral Impact Assessment

The impact on the traditional automotive sector will be profound and multifaceted. Japanese and Korean brands, long dominant in the region, will experience a 30-40% reduction in market share as Chinese competitors offer similar reliability and features at significantly lower prices. European luxury brands will maintain their position better, experiencing only a 20% share loss as they retreat to the premium segment where brand prestige still commands price premiums. American brands will increasingly focus on commercial and specialty vehicles where their traditional strengths in trucks and SUVs provide some protection from Chinese competition.

The employment and skills impact will be equally transformative. The creation of more than 50,000 direct jobs in EV manufacturing and assembly will provide new opportunities but require different skills than traditional automotive manufacturing. The requirement for more than 100,000 skilled technicians for EV maintenance will create massive training needs, as existing mechanics lack the electrical and electronic skills required for EV service. The significant re-skilling needs for the existing automotive workforce will require coordinated efforts between government, educational institutions, and industry to prevent widespread displacement while creating opportunities for career advancement.

The energy sector will experience a 15-20% increase in electricity demand from EV charging, requiring substantial investment in generation and distribution capacity.

This increased demand will accelerate renewable energy deployment to meet clean transportation goals while maintaining grid stability. New business opportunities in energy management and storage will emerge, creating an entirely new economic sector at the intersection of automotive and energy industries.

VII- Strategic Imperatives for Success

Defining Critical Success Factors

Success in navigating the automotive transformation requires careful attention to several critical factors that will determine winners and losers in the new landscape. Policy coherence between national vision documents like Saudi Vision 2030 and UAE Vision 2030 and automotive sector strategies will be essential to ensure that transportation transformation supports broader economic and social goals. Without this alignment, conflicting policies could create confusion, waste resources, and slow progress toward electrification goals. Investment mobilisation of more than USD 50 billion in automotive sector investments over five years will be necessary to build infrastructure, establish manufacturing capabilities, and develop support ecosystems. This investment must come from diverse sources including government, private sector, and international partners, requiring coordinated efforts to create attractive investment conditions while ensuring local benefits. The scale of required investment means that no single actor can drive transformation alone, necessitating unprecedented cooperation between traditionally separate sectors. Skill development programs must train more than 200,000 workers for EV-related jobs, ranging from manufacturing and assembly to sales, service, and charging infrastructure management. This massive human capital development effort requires reimagining automotive education, creating new certification programs, and ensuring continuous learning as technology evolves. The challenge extends beyond simple technical training to include developing understanding of new business models, customer service approaches, and digital tools that define the modern automotive industry.

Consumer education through comprehensive awareness campaigns on EV benefits and total cost of ownership will be crucial for overcoming skepticism and accelerating adoption. Many consumers remain unaware of the long-term savings from EVs or harbour misconceptions about range, charging, and reliability that must be addressed through sustained education efforts. Regional cooperation through a unified GCC approach to standards, regulations, and infrastructure will reduce complexity for manufacturers while ensuring seamless travel across borders, crucial for a region where cross-border movement is common.

Risk Mitigation Strategies for Sustainable Growth

The geopolitical risks inherent in heavy reliance on Chinese suppliers require diversifying supply chains beyond China and developing local capabilities that provide resilience against potential disruptions. While Chinese partnership will remain important, over-dependence creates vulnerabilities that could be exploited in future trade disputes or geopolitical tensions. Technology risks must be managed by investing in multiple battery technologies and maintaining flexibility in infrastructure to accommodate different charging standards and future innovations. The rapid pace of technological change means that investments made today could become obsolete quickly, requiring careful planning and adaptability.

Market risks require a gradual transition strategy that maintains ICE vehicle support during the transition period, ensuring that existing vehicle owners aren't abandoned while encouraging new buyers toward electrification. This balanced approach prevents market disruption while building confidence in the new technology. Financial risks can be mitigated through sovereign guarantees for major infrastructure projects and international partnerships that spread risks while bringing expertise and capital to the region.

Conclusion

The automotive industry in the Levant and GCC regions stands at an inflection point that will define transportation for generations to come. The aggressive expansion of Chinese electric vehicle manufacturers, combined with global sustainability imperatives and regional economic diversification goals, creates a unique moment where transformation is not just possible but inevitable. The question is not whether change will come but how well the region will manage this transition to maximise benefits while minimising disruption.

Success in navigating this transformation requires unprecedented coordination across government, industry, and financial sectors, breaking down traditional silos to create integrated strategies that address the complex interdependencies of modern mobility. The regions that move decisively to build infrastructure, develop capabilities, and create supportive regulatory frameworks will emerge as winners in the new automotive landscape, potentially becoming global leaders in sustainable transportation rather than simply following trends established elsewhere.

The next five years will prove decisive in determining the region's automotive future. With Chinese brands projected to capture over one-third of the market by 2030, traditional automotive stakeholders must adapt quickly or risk obsolescence in their own markets. However, this disruption also presents extraordinary opportunities for

economic development, job creation, and technological advancement that align perfectly with broader national transformation agendas aimed at creating sustainable, diversified economies for the post-oil era.The path forward demands bold vision that sees beyond current challenges to future opportunities, strategic investment that builds capabilities rather than simply buying products, and unwavering commitment to sustainable mobility that balances economic, social, and environmental goals. The regions that embrace this change proactively, seeing Chinese expansion not as a threat but as a catalyst for transformation, will not only transform their automotive sectors but also position themselves as global leaders in the transition to clean transportation, creating new sources of competitive advantage in an increasingly sustainable global economy.

This transformation will not be easy, requiring difficult decisions about resource allocation, policy priorities, and economic structures. However, the alternative of resisting change would be far worse, leading to economic stagnation, technological obsolescence, and environmental degradation that would undermine long-term prosperity. By embracing the automotive transformation with clear strategies, adequate resources, and sustained commitment, the Levant and GCC regions can write a new chapter in their economic development story, one where sustainable mobility drives broader prosperity and positions these nations at the forefront of the global energy transition.