



# **Research and Development Forecast of China Car Rental Industry, 2013-2017**

**(Sample)**

Huidian Research

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### **3. Development Overview of Car Rental Industry**

#### **3.2 Status Quo of Chinese Domestic Car Rental Industry**

##### **3.2.1 Market Status Quo**

Originated from Beijing in 1989, China's car rental industry is still in its infancy on the whole; the early China's car rental industry mainly face to the enterprise users, such as foreign enterprises, large state-owned enterprises and so on. The real investment in the private rental business on a large scale just happens in recent years. With the rapid development of China's auto industry and social economy, people's consumption level and travel needs are also correspondently improved.

After entering the year of 2001, the third round of car rental enterprise development summit is launched; since then, the domestic car rental industry has a big stripe development; the car rental industry shows the trend of expanding to the west region from the central and east regions and to the medium and small-sized cities from the large ones. As the analyses above show, China's car rental industry has huge development potential.

After 2006, with the continuous investment of e-commerce and other scientific and technological measures, China's car rental industry just began to step into a new development stage. In 2008, many enterprises began to make the national development layout. More and more businessmen and persons can enjoy the convenience brought by the car rental.

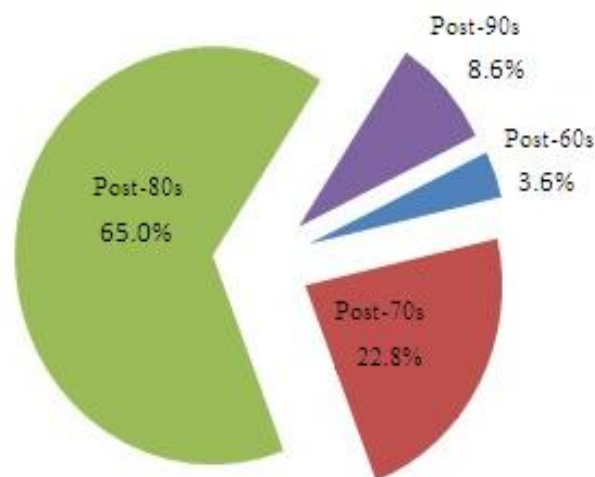
According to the survey, at present, China's rental vehicles mainly focus on the medium and low-end cars; the commercial vehicle, bus and medium-sized bus rental also has a certain proportion; the rental region is highly concentrated in the four first-tier cities, namely Beijing, Shanghai, Guangzhou and Shenzhen with the market shares of 60% by amount. There appear a lot of car rental companies with the scale of more than 500 in the four cities. Seen from the development level, the penetration rate of rental vehicles almost reaches 1.3% in the four cities, which is close to the developed countries' level. The market of second and third-tier cities also has got the rapid and considerable development for recent years; the compound annual growth rate is close to 35%; the rental vehicle scale is being rapidly expanded in these cities and the various car rental companies spring up, such as Chengdu, Hangzhou, Xiamen and other regions.

According to the statistics, as of the end of 2011, there were more than more 5,000 car rental companies in China and the rental cars exceeded 100,000 units. As the latest survey data show, as of 2012, there were totally about 250,000 units of rental cars in China; with the continuous development of China's economy and continuous improvement of people's living standards, the auto consumption desire of residents

becomes more and more strong.

In China, as the survey to the rented cars user shows, among the group with the car rental intention, the post-1980s generation are the main force, accounting for 65%, followed by the post-1970s accounting for 22.8% and post-1990s with 8.6% as well as the post-1960s and before with only 3.6%. Among the respondents, the people who are being unwilling to rent cars mainly because of the high car rental fees account for 38.1%. As the survey shows, the car rental price of first-tier cities (such as Beijing, Shanghai, Guangzhou and Shenzhen etc.) is higher 50%~100% during the Spring Festival than the usual price; the car rental price of some new cars is higher 100%~200% than the usual one. And then, the people who are unwilling to rent cars because of the bad vehicle condition or they don't find the favorite ones account for 19% and 14.3%.

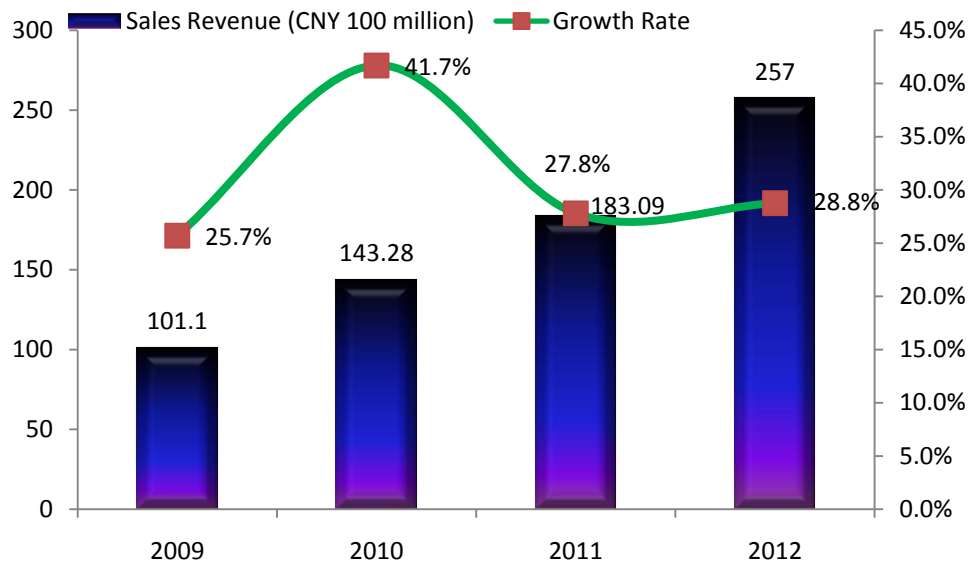
**Fig.2 Lessee Structure of China's Car Rental**



Source: <http://www.eooioo.com/>; Hudian Research

As the survey of Hudian Research, in 2010, the sales revenue of China's car rental industry reached CNY 14.328 billion with year-on-year growth of 41.7%; in 2011, the sales revenue reached CNY 18.309 billion with year-on-year growth of 27.8%; in 2012, the sales revenue reached CNY 25 billion; it is estimated that the sales revenue will reach about CNY 38 billion; the compound annual growth rate is 20.2% during 2010 to 2014. The total number of China's car rental vehicles is predicted to increase to 430,000 units by 2014 from about 200,000 units in 2010 with the compound annual growth rate of about 21%, which is equal to the increase magnitude of total scale of China's car rental market.

**Fig.3 Sales Revenue and Growth of China's Car Rental Industry, 2009-2012**



Source: <http://www.eooioo.com/>; Hudian Research

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