



Car Rental in Germany

Industry Profile

Reference Code: 0165-0031
Publication date: November 2004

www.datamonitor.com

Datamonitor USA
245 Fifth Avenue
4th Floor
New York, NY 10016
USA

t: +1 212 686 7400
f: +1 212 686 2626
e: usinfo@datamonitor.com

Datamonitor Europe
Charles House
108-110 Finchley Road
London NW3 5JJ
United Kingdom

t: +44 20 7675 7000
f: +44 20 7675 7500
e: eurinfo@datamonitor.com

Datamonitor Germany
Kastor & Pollux
Platz der Einheit 1
60327 Frankfurt
Deutschland

t: +49 69 9754 4517
f: +49 69 9754 4900
e: deinfo@datamonitor.com

Datamonitor Asia Pacific
Room 2413-18, 24/F
Shui On Centre
6-8 Harbour Road
Hong Kong

t: +852 2520 1177
f: +852 2520 1165
e: hkinfo@datamonitor.com

ABOUT DATAMONITOR

ABOUT DATAMONITOR

Datamonitor is a leading business information company specializing in industry analysis.

Through its proprietary databases and wealth of expertise, Datamonitor provides clients with unbiased expert analysis and in depth forecasts for six industry sectors: Healthcare, Technology, Automotive, Energy, Consumer Markets, and Financial Services.

The company also advises clients on the impact that new technology and eCommerce will have on their businesses. Datamonitor maintains its headquarters in London, and regional offices in New York, Frankfurt, and Hong Kong. The company serves the world's largest 5000 companies.

Datamonitor's premium reports are based on primary research with industry panels and consumers. We gather information on market segmentation, market growth and pricing, competitors and products. Our experts then interpret this data to produce detailed forecasts and actionable recommendations, helping you create new business opportunities and ideas.

Our series of company, industry and country profiles complements our premium products, providing top-level information on 10,000 companies, 2,500 industries and 50 countries. While they do not contain the highly detailed breakdowns found in premium reports, profiles give you the most important qualitative and quantitative summary information you need - including predictions and forecasts.

All Rights Reserved.

No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior permission of the publisher, Datamonitor plc.

The facts of this report are believed to be correct at the time of publication but cannot be guaranteed. Please note that the findings, conclusions and recommendations that Datamonitor delivers will be based on information gathered in good faith from both primary and secondary sources, whose accuracy we are not always in a position to guarantee. As such Datamonitor can accept no liability whatever for actions taken based on any information that may subsequently prove to be incorrect.

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Market Value

The German car rental market shrank by 4.6% in 2003 to reach a value of \$2.4 billion.

Market Value Forecast

In 2008, the market is forecast to have a value of \$2.2 million, a decrease of 8.7% since 2003.

Market Segmentation I

The compact car sector is the leading revenue source for the market, generating 40.7% of revenues.

Market Segmentation II

Germany dominates the European car rental market, accounting for 36.2% of the regional market's value.

TABLE OF CONTENTS

EXECUTIVE SUMMARY	3
CHAPTER 1 Market Overview	7
1.1 Market Definition	7
1.2 Research Highlights	7
1.3 Market Analysis	8
CHAPTER 2 Market Value	9
CHAPTER 3 Market Segmentation I	10
CHAPTER 4 Market Segmentation II	11
CHAPTER 5 Competitive Landscape	12
CHAPTER 6 Leading Companies	13
6.1 Avis Europe plc	13
6.2 Europcar International S.A.	13
6.3 The Hertz Corporation	13
6.4 Sixt AG	14
CHAPTER 7 Market Forecasts	15
7.1 Market Value Forecast	15
CHAPTER 8 Demographics	16
CHAPTER 9 Further Reading	18
9.1 Sources	18

9.2 Related Datamonitor Research

18

LIST OF TABLES

Table 1:	Germany Car Rental Market Value: \$ billion, 1999-2003.....	9
Table 2:	Germany Car Rental Market Segmentation I: % Share, by Value, 2003	10
Table 3:	Germany Car Rental Market Segmentation II: % Share, by Value, 2003	11
Table 4:	Germany Car Rental Market Value Forecast: \$ billion, 2003-2008.....	15
Table 5:	Germany Size of Population (million) , 1999-2003	16
Table 6:	Germany GDP (1995=100), 1999-2003	16
Table 7:	Germany Inflation, 1999-2003	16
Table 8:	Germany Exchange Rate, 1999	17

CHAPTER 1 MARKET OVERVIEW

1.1 Market Definition

This report covers the market for private car hire including airport as well as non-airport car rentals and accident replacement vehicles, but excludes taxi hires. The car rental market consists of all car rentals contracted to be of less than one-year duration, for corporate or individual use, for recreational or business purposes. The market includes all passenger car types, but excludes vans and light trucks and its value is calculated at the national average rental price, including all taxes and levies. Any currency conversions used in the creation of this report have been calculated using constant 2003 annual average exchange rates.

For the purposes of this report, Europe consists of Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom, Bulgaria, Czech Republic, Hungary, Poland, Romania, Russia, Slovakia and the Ukraine.

1.2 Research Highlights

The German car rental market reached a value of \$2.37 billion in 2003, having grown with a compound annual growth rate (CAGR) of 7.9% in the 1999-2003 period.

The German car rental market is highly competitive and consolidated around the major European car rental companies such as Sixt AG, Hertz, Europcar and Avis Europe.

Going forward, the German car rental market is expected to experience difficult times and negative growth rates are predicted for 2004 and 2005. In 2004 alone the market is expected to decline by 9.5%.

1.3 Market Analysis

The car rental market in Germany is the largest within Europe, but it has fallen on hard times in the last year. The market suffered revenue decline in 2003 and is poised to shrink yet further during 2004-2005. The primary factors behind this decline are the continuing economic weakness within the country and a general worldwide reduction in the number of leisure and business trips since the terrorist attacks on the US, the Iraq War and the SARS outbreaks. While, the UK and French markets have proven to be robust in this environment, the German market is unlikely to recover its 2002 value within the next five years.

The German car rental market reached a value of \$2.37 billion in 2003, having grown with a compound annual growth rate (CAGR) of 7.9% in the 1999-2003 period. This growth was significantly stronger than that of the European market itself, leading to the German market's regional share increasing by 2.1 percentage points between 1999-2003, accounting for 27.8% of the European market by the end of this period.

The leading revenue source for the German car rental market in 2003 was the compact car sector, which accounted 40.7% of the market's value. In value terms, this sector was worth \$965 million in 2003. The rental of intermediate-sized cars generated the second largest revenues in 2003, reaching a value of \$659.2 million, equivalent to 27.8% of the market's value.

Going forward, the German car rental market is expected to experience difficult times and negative growth rates are predicted for 2004 and 2005. In 2004 alone, the market is expected to decline by 9.5%. Between 2006 and 2008, the market is forecast to begin to slightly grow year on year. By 2008, the market is forecast to reach a value of \$2.16 billion, which equates to a CAGR of -1.8% in the 2003-2008 period, considerably lower than the European market.

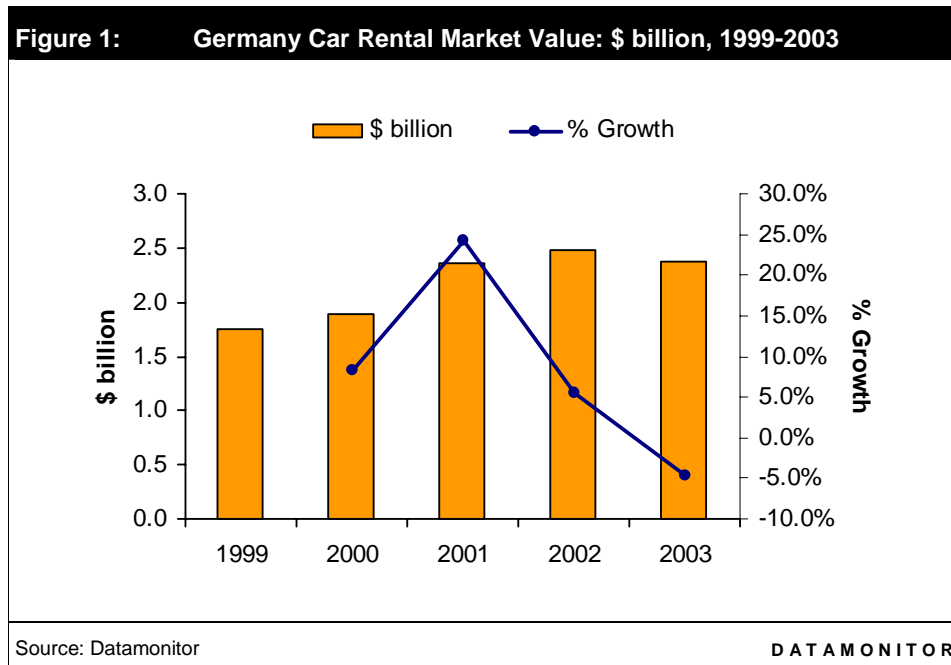
CHAPTER 2 MARKET VALUE

The German car rental market shrank by 4.6% in 2003 to reach a value of \$2.4 billion.

The compound annual growth rate of the market in the period 1999-2003 was 7.9%.

The strongest growth was in 2001 when the market grew by 24.1%.

Table 1: Germany Car Rental Market Value: \$ billion, 1999-2003				
Year	\$ billion	€ billion	% Growth	
1999	1.7	1.5		
2000	1.9	1.7	8.30%	
2001	2.4	2.1	24.10%	
2002	2.5	2.2	5.60%	
2003	2.4	2.1	-4.60%	
CAGR, 1999-2003:			7.9%	
Source: Datamonitor			DATAMONITOR	



CHAPTER 3 MARKET SEGMENTATION I

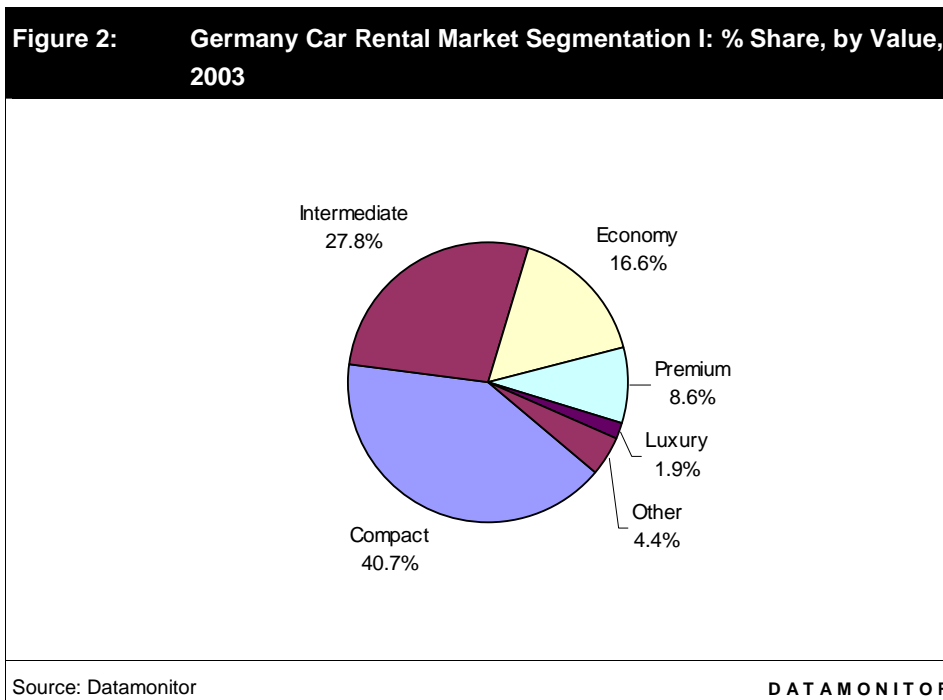
The compact car sector is the leading revenue source for the German car rental market, generating 40.7% of revenues.

The intermediate car sector forms a further 27.,8% of Germany's market value, while the rental of economy cars accounts for a further 16.6%.

Table 2: Germany Car Rental Market Segmentation I: % Share, by Value, 2003

Category	% Share
Compact	40.70%
Intermediate	27.80%
Economy	16.60%
Premium	8.60%
Luxury	1.90%
Other	4.40%
Total	100.0%

Source: Datamonitor DATAMONITOR



CHAPTER 4 MARKET SEGMENTATION II

Germany dominates the European car rental market, accounting for 36.2% of the regional market's value.

In comparison, France and the UK represent a further 19.3% and 16.7% of the European market respectively.

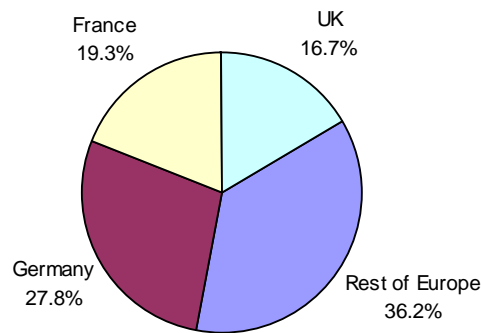
Table 3: Germany Car Rental Market Segmentation II: % Share, by Value, 2003

Geography	% Share
Rest of Europe	36.20%
Germany	27.80%
France	19.30%
UK	16.70%
Total	100.0%

Source: Datamonitor

DATAMONITOR

Figure 3: Germany Car Rental Market Segmentation II: % Share, by Value, 2003



Source: Datamonitor

DATAMONITOR

CHAPTER 5 COMPETITIVE LANDSCAPE

The German car rental market is highly competitive and consolidated around the major European car rental companies such as Sixt AG, Hertz, Europcar and Avis Europe. The market leaders are the German firms Sixt and Europcar. The car rental market in Germany has become more consolidated in recent years with the numbers of operators in the market falling from 800 in 1998 to less than 700 in 2002.

Sixt is based in Pullach, Germany. The company is globally represented with more than 2,400 service outlets in more than 50 countries, including about 360 in Germany. Unlike other rental companies, Sixt offers a diverse range of vehicles for rental, from limousines and sports cars to motorcycles and off-road vehicles. The company purchases many vehicles from German manufacturers such as Mercedes Benz and BMW, but has deals with other manufacturers including, Ford and Harley-Davidson. Sixt has recently taken steps to cut vehicle-fleet expenses and expand its fleet. Along with its airline partners such as Lufthansa, the company also has hotel partnerships with Hilton, Hyatt, Kempinski and Starwood.

Europcar is the largest European car rental company, with a fleet of over 200,000 vehicles at 2,650 locations in 118 different countries around the world. The company has 480 locations in Germany including all major airports, railway stations and cities. Since 1999, Europcar has been a fully owned subsidiary of the German based Volkswagen Group - Europe's leading car manufacturer. Around 80% of Europcar's revenues are derived from the German market

CHAPTER 6 LEADING COMPANIES

6.1 Avis Europe plc

Avis Europe is a car rental company operating in Europe, Africa, the Middle East and Asia, under an exclusive license until 2036. For the fiscal year ended December 2003, the company reported total revenues of \$1.3 billion, a decrease of 1.7% on the previous year.

Avis Europe operates through its network of some 3,100 locations in 111 countries. The network operates through wholly owned subsidiaries in 14 corporate countries complemented by licence arrangements in a further 97 countries.

The Budget brand, acquired by Avis Europe in March 2003, serves customers through around 900 locations in 62 countries. These are predominantly franchise businesses with corporate operations in Austria and Switzerland, together with a small number of locations in France and the UK.

Avis Europe is headquartered in Bracknell, UK.

6.2 Europcar International S.A.

Europcar is a leading global car rental company with a fleet of over 220,000 vehicles in 188 different countries. Europcar was founded in Paris in 1949, and became a wholly-owned subsidiary of the German car manufacturer Volkswagen AG in 1999.

6.3 The Hertz Corporation

The Hertz Corporation is the world's largest car rental firm, with about 7,000 locations in 150 countries and a fleet of around 525,000 vehicles. In the fiscal year ended December 2003, the company generated sales of \$5.2 billion.

Hertz is a wholly owned subsidiary of the Ford Motor Company. The company is headquartered in Park Ridge, New Jersey.

6.4 Sixt AG

Sixt specializes in car rental services and is Germany's top car rental company with 30% of the market share. Sixt has around 2,400 rental locations worldwide. The company also has locations around the world including locations in France, the UK, the US and the Middle East. The company's headquarters are based in Pullach, Germany.

In fiscal 2003, the company reported total revenues of \$2.6 billion, an increase of 0.1% on the previous year.

CHAPTER 7 MARKET FORECASTS

7.1 Market Value Forecast

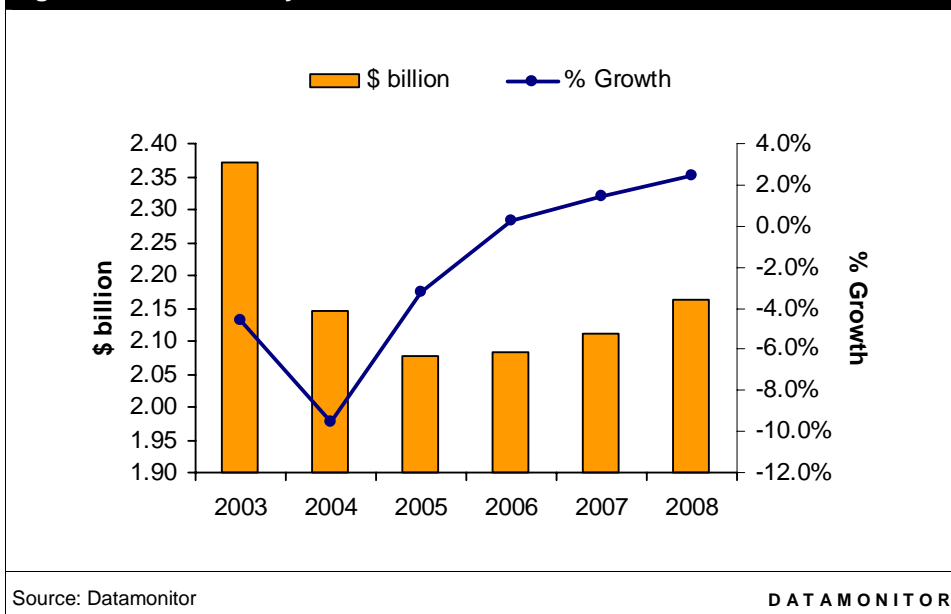
In 2008, the German car rental market is forecast to have a value of \$2.2 billion, a decrease of 8.7% since 2003. The compound annual rate of change of the market in the period 2003-2008 is predicted to be -1.8%. Despite some decline, the market is forecast grow in the 2003-2008 period. The largest growth is expected in 2008 when the market will increase by 2.5%.

Table 4: Germany Car Rental Market Value Forecast: \$ billion, 2003-2008

Year	\$ billion	€ billion	% Growth
2003	2.4	2.1	-4.60%
2004	2.1	1.9	-9.50%
2005	2.1	1.8	-3.20%
2006	2.1	1.8	0.20%
2007	2.1	1.9	1.40%
2008	2.2	1.9	2.50%
CAGR, 2003-2008:			-1.8%

Source: Datamonitor DATAMONITOR

Figure 4: Germany Car Rental Market Value Forecast: \$ billion, 2003-2008



CHAPTER 8 DEMOGRAPHICS

Table 5: Germany Size of Population (million) , 1999-2003		
Year	Population (million)	% Growth
1999	82.1	
2000	82.2	0.10%
2001	82.3	0.10%
2002	82.4	0.10%
2003	82.4	0.10%

Source: Datamonitor DATAMONITOR

Table 6: Germany GDP (1995=100), 1999-2003		
Year	1995=100	% Growth
1999	106.3	
2000	109.3	2.90%
2001	110.1	0.70%
2002	110.4	0.20%
2003	110.3	0.00%

Source: Datamonitor DATAMONITOR

Table 7: Germany Inflation, 1999-2003		
Year	Inflation Rate (%)	% Growth
1999	1.2	
2000	2.2	89.50%
2001	1.7	-23.40%
2002	1.4	-13.90%
2003	1.1	-25.50%

Source: Datamonitor DATAMONITOR

Table 8: Germany Exchange Rate, 1999

Year	Exchange Rate (\$/€)
1999	0.07738
2000	0.06698
2001	0.06506
2002	0.94245
2003	1.12943

Source: Datamonitor

DATAMONITOR

CHAPTER 9 FURTHER READING

9.1 Sources

This report is based on a combination of primary Datamonitor research, including online, face-to-face and telephone interviews with consumer and industry players, and secondary research using various sources (including trade associations, news providers and others).

Industry Associations

ACTIF

4248 Park Glen Road
Minneapolis, MN 55416
Tel: 1 888 200 2795
Fax: 1 952 929 1318
<http://www.actif.org/>

BVRLA

River Lodge, Badminton Court
Amersham, Bucks HP7 ODD, UK.
Tel: 44 1494 434747
Fax: 44 1494 434499
<http://www.bvrla.co.uk/>

9.2 Related Datamonitor Research

Datamonitor Industry Profiles

Global Car Rental (\$200)
Car Rental in Asia-Pacific (\$200)
Car Rental in Europe (\$200)
Car Rental in the US (\$200)
Car Rental in France (\$200)
Car Rental in Italy (\$200)
Car Rental in the Netherlands (\$200)
Car Rental in Spain (\$200)
Car Rental in the UK (\$200)
Car Rental in China (\$200)
Car Rental in Japan (\$200)