



ELDARRAT GROUP



OUR VISION

To become the leading automobile distributor in Libya
while successfully contributing to the country's social
and economic development.





OUR MISSION

- To become the # Libyan Automobile dealer in Sales, Service and Customer Satisfaction.
- To become an industry leader in the implementation and development of international best practices for Sales, Service and Customer Care.
- To provide attractive employment opportunities to Libyan nationals and contribute to their professional development.

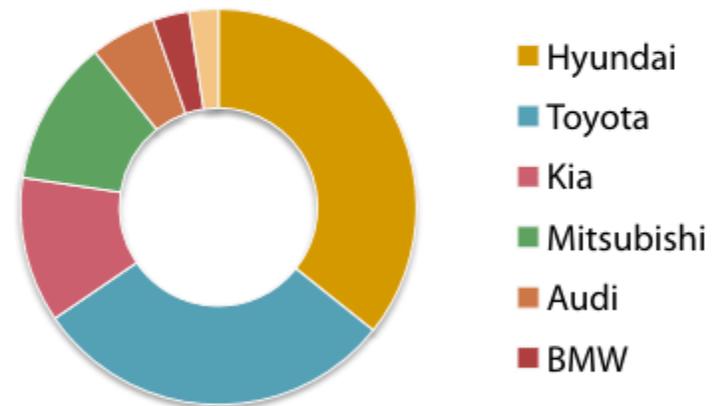




OVERVIEW OF THE LIBYAN MARKET

- 2010 New car imports in Libya estimated at 55,000 to 60,000 units (excluding large government orders).
- To three leading brands are Toyota, Hyundai, Kia represents over 40% of the market. The balance is between Nissan, Mitsubishi, Honda, Mazda, Mercedes, BMW, Audi, Volkswagen, Chevrolet and some Chinese brands.
- Non-existent brands includes Suzuki, Volvo, Ford, GMC, Cadillac, Jaguar, Range Rover, Porsche, Opel and Fiat. This is due to market perceptions of those brands and lack of spare parts.

2010 Estimated Libyan Imports





OVERVIEW OF THE LIBYAN MARKET

The market is dominated by small parallel importers and traders who import from the dealers of Jordan, Egypt, Saudi Arabia, UAE, Oman, Kuwait and Qatar. Unauthorized importers represents over 70% of all new car imports to Libya.

Despite the existence of Sumitomo Trading for Toyota in Libya and official dealers in the market for Hyundai, BMW, Volkswagen, Audi and Kia. Local authorized dealers are unable to serve their markets and represent less than 30% of total market imports. The most successful is Sumitomo and yet they are the only able to maintain 60 – 70% of the Toyota Market in Libya. The current Hyundai dealer in Libya is most likely only serving 30% of the total Hyundai market in Libya with the balance coming from parallel imports.





PRIMARY REASONS FOR THE FRAGMENTED MARKET

- Weak Agency Laws
- Undercapitalized dealerships
- Many of the dealerships in Libya were owned by members of the regime who obtained the dealerships from large government orders and not because of their business experience.
- Many of the dealerships have no prior track record in setting up business of similar complexity or any businesses at all.
- Libyan Government no longer makes direct automobile orders directly.
- Inconsistent customs duties and extensive corruption in customs.





PRIMARY REASONS FOR THE FRAGMENTED MARKET

- Many of the existing dealers have weak inventory variety (ie. Sumitomo imported 2000 Toyota Camrys in 2010 all in white).
- Service Centres are weak or non-existent for some brands and seen as too expensive for low end cars.
- No dealers are offering comprehensive service packages and therefore no incentive to buy from them.
- Weak dealer sales network, with many having no presence in the Eastern part of Libya or in the South which is a very attractive market for re-export to Chad and Niger.





OUR STRATEGY

- Our objective and desire is to ensure Hyundai maintains in position as # 1 in the Libyan market in terms of unit and sales; and also to eventually become # 1 in Sales Value, which is currently held by Toyota.
- Our SWOT analysis of Hyundai in the Libyan Market gives brief on our view and approach to the market.





STRENGTHS

- Strong brand equity and familiarity in the market.
- Availability of both original and OEM spare parts.
- Entry level products such as Accent have few competitors in its price range in Libya.
- Strong popularity amongst re-export markets of Niger and Chad.





WEAKNESSES

- No strong products introduced to compete with the popular Toyota Hilux for Pickup segment.
- Sports car range such as Genesis Coupe and high-end such as Centennial are non-existent.
- Sales are dominated by the low end, low margin Accent and Elantra.





OPPORTUNITIES

- To develop the market for the more high and mid range cars such as Sonata, Genesis and Centennial in Libya.
- To develop and actively pursue the re-export markets of Niger, Chad, Mali Algeria and other African countries.
 - To be amongst the first to introduce a service based sales approach with an improved after sales service offering to the market to ensure customer retention.





THREATS

As *New Libya's* economy opens and becomes more liberal, other major brands such as Nissan, Mitsubishi, Ford and GM will seek to develop strong dealership presences in Libya. Libya will definitely become a more crowded automobile market and hence Hyundai's market share will become under threat from new brands entering.

As the Libyan economy develops and disposable income increases, customers will begin to migrate to more high end cars, risking Hyundai's key Libyan segment of entry level cars to shrink. Hence the importance to develop Hyundai's market for high end models.

Expected lower and more uniform custom duties will also expose Hyundai to a shrinking lower end segment as consumers are able to afford more high end models. (Already happening uniform 10% import duty introduced).





PROPOSED SALES NETWORK PLAN

2012

A national car storage and distribution facility
And national spare parts centre in Misurata Free Zone.

2013

3000 to 5000 sqft showroom in Misurata.

2014

First 5000 to 8000 sqft showroom in Tripoli.

2015

3000 to 5000 sqft showroom in Benghazi.

2016

3000 to 5000 sqft showroom in Sabha and 2nd 8000 to 10000 sqft showroom in Tripoli.
Dedicated Sales and Customer Service Training Centre.





PROPOSED SERVICE CENTRE PLAN

2013

10 to 15 Bay Service Centre and Spare Parts Centre in Tripoli.

2014

10 Bay Service Centre and Spare Parts Centre in Benghazi.





PROPOSED USED CAR CENTRE

2014

A Used Car Sales Centre with Evaluation Centre to be established in Tripoli.

2015

A Used Car Sales Centre with Evaluation Centre to be established in Benghazi.





MARKETING STRATEGIES

- 2% of Annual Sales allocated as Local Marketing Budget.
- Offering of lease to own programs for qualified buyers.
- Launching of test drive campaign to increase walk in customers.
- Developing of Islamic finance options with local and international finance companies.
- Establishing dedicated in showroom F&I (Finance and Insurance) desk to facilitate finance and insurance for customers.



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THANK YOU.

