GLOBALFLEET
THE EXECUTIVE NETWORK

2021 GLOBAL FLEET SURVEY

E-Book #04
September 2021

with the expertise of

Allianz Partners

ARVAL BNP PARIBAS GROUP

Polestar

VOLKSWAGEN FINANCIAL SERVICES THE KEY TO MOBILITY

Selecting the right financial partner, defining a comprehensive OEM strategy and preparing your fleet for the mobility needs of the future. has never been more relevant for Fleet & Mobility Managers

For 10 years, the Global Fleet Survey has been your go-to tool to benchmark your fleet with your peers. With a record breaking **124 participants,** we've managed to capture the voice of the customer, as they represent over **1 million passenger cars** across the world, more than **200 thousand LCVs and 8 million employees.**

Understanding the dynamics of our industry in a time where massive shifts are happening, is crucial to ensure a future-proof strategy. The increasing demand for Flexibility, Cost Savings and Electrification continues to dominate the Fleet & Mobility spectrum and will only gain traction in the years to come. Examining how other corporate fleets are handling these challenges, and delivering the necessary insights to set up and sustain a global fleet strategy which can stand the test of time, this Global Fleet Survey is here to support.

Enjoy this E-Book!

And there is more. If you would like to discover the **full results of the 2021 Global Fleet Survey,** you can download them here.

Sven Van Rossum
Marketing Manager and Head of Research

Colophon

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VOLKSWAGEN FINANCIAL SERVICES THE KEY TO MOBILITY

Major trends in 2021

1. Impact of COVID-19 is clear

Both from a hard and soft perspective, we clearly see the impact of the pandemic in this year's Survey results. The average global fleet size for passenger car fleets has reduced with almost **10%**, giving room to more soft, flexible solutions such as micro-mobility and inclusive mobility budget offerings. For LCVs on the other hand, we see that the changing economic landscape and the accelerated focus on usage has led to a fleet size growth of almost **30%** over the last 2 years.

2. Game over for ICE

Almost **60%** of the participants expect that diesel will continue to decrease as a potential energy source for corporate fleets. For the first time ever, we also see this happening with petrol, where more than **43%** indicates that they expect a decrease, while EV **(50%)** and Hybrid **(56%)** will only continue to rise in importance. This trend has a drastic impact on the OEM strategies going forward. The top overall OEM growers in the market are Skoda, BMW and Toyota, while Renault, Jaguar and Fiat need to step up their corporate game.

3. Emission management is leading choice

With an increase of almost **70%**, the management of a fleet's carbon footprint is leading the agenda of corporate fleet managers across all regions. This is demonstrated by the CO_2 caps being targetted for 2025 across the different regions. We see a decrease of **30%** going from 141g/km to 100g/km. The shift is the biggest in North America, where corporate fleets set a target of 103g/km in 2025, coming from 156 g/km today (CO_2 CAP evolution per region can be found on the right).

4. Leasing companies, the Swiss army knife of fleet.

With all these trends occurring in the corporate fleet market, the expectations of corporate fleets towards their leasing partners keep on accelerating. Both from an integrated mobility **(54%)** point of view as well as supporting the integration of the right EV charging infrastructure **(33%)** the leaseco is the first industry partner to reach out to, and even outperforming the industry specialists in these fields.

CO_2 CAP

	2021	2025
EUROPE	133	92
NORTH AMERICA	156	103
LATIN AMERICA	141	98
ASIA PACIFIC	139	106
AFRICA – MIDDLE EAST	138	100

Global Fleet Management Priorities for 2022

1. Get a grip on EVs

There is no turning back on Fleet Electrification. Whether full BEV or Hybrid solutions, more than **77%** of the respondents have already implemented them in their fleet. And for the first time ever, Electrification has also replaced pricing as the #1 reason to select a suitable OEM.

2. Increase the digitalization efforts

Lack of transparent data and process complexity still offer a constraint on further globalization. That's why automation and connectivity solutions are taking their place on the wish list of most fleet managers. With an increase of **20%** compared to last year, finding the right technology solutions to better manage your global fleet is one of the key requirements for 2022.

3. Safety is key

No surprise, safety, from a global perspective, will continue to be **one of the focus points** in 2022. As fleets become more data and connectivity driven, it is regarded as one of the key priorities which can be benefit from these technologies.

If not the case already, these trends will soon hit your fleet desk as well. Knowing how your peers are looking at this, is not only beneficial to benchmark your strategy today, but can also provide you with information and support to convince your corporate stakeholders about the right approach for tomorrow.

Methodology of the Global Fleet Survey 2021

Method & Timing

The Global Fleet Survey 2021 was organized from the 16th of July until the 7th of September 2021, via an online questionnaire on SurveyMonkey. The Survey was composed of **70 questions** in total.

Purpose

The purpose of the Surveys is to get an assessment of the fleet and mobility buying behaviour amongst fleet and mobility managers. This in order to provide the opportunity to **benchmark their strategy amongst their peers.**

Sample

The questionnaire was designed for fleet and mobility decision makers of all sectors of activity with an **international approach.** It was organized with the aim to understand strategic intentions both on a global and regional (Europe, North America, Latin America, Asia Pacific, Africa Middle East) level.

Analysis

In total there were **124 completed questionnaires.** The Standard Error (SE) is an indication of the reliability of the sample mean. A smaller SE indicates a more accurate reflection of the population mean.

The Global Fleet Survey 2021 represents

124 PARTICIPANTS

+1 MILLION
PASSENGER CARS

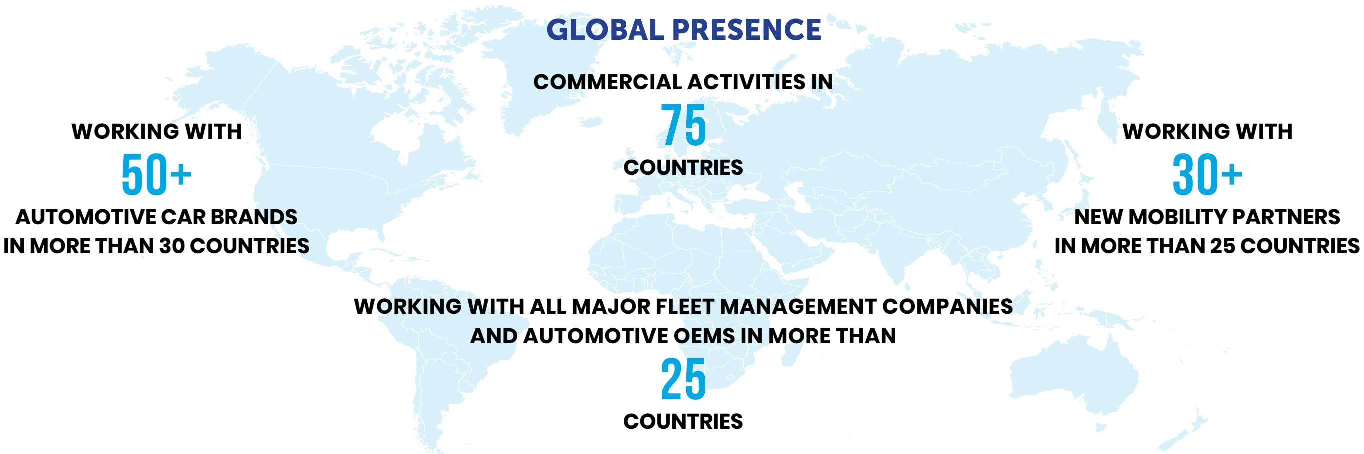
220,000
LCV's

8 MILLION
EMPLOYEES

Discover Allianz Partners

Allianz Partners is a world leader in B2B2C insurance and assistance, offering global solutions that span automotive, mobility and assistance, international health and life as well as travel insurance.

Customer driven, our innovative experts are redefining insurance services by delivering future-ready, high-tech, high-touch products and solutions that go beyond traditional insurance. Present in 75 countries, our 21,100 employees speak 70 languages, handle over 71 million cases each year, and are motivated to go the extra mile to offer peace of mind to our customers around the world.



Stephan Ruby
Chief Sales Officer Automotive
at Allianz Partners

Stephan Ruby, Chief Sales Officer Automotive at Allianz Partners:
"The fleet business is of major strategic importance to our Automotive OEM partners and their captives. As the segment is growing year on year, we see huge potential for growth by accompanying our partners with our insurance and services solutions. We are able to do so, because Allianz Partners has all these capabilities and is at the same time part of one of the world's largest and strongest insurer network. Together with our local Allianz entities and business partners we are able to innovate, digitize and co-create propositions which are customer centric and industry leading."

Generate, manage and grow profitable fleet business with insurance and service solutions
As Allianz, we are proud of our long-standing and excellent business relationships to many of the major automotive OEMs. We plan to expand this business also to other international fleets that require and can benefit from a global insurance program management.

Our objective is to set up a global end-to-end business model which includes strong global key account management, global design authority in product, dedicated actuarial resources and central reporting and profitability steering. We are using the Allianz Group cross-border concept; leveraging local Allianz entity delivery and claims capabilities. Where required, we make use of third party insurers with whom we have signed strategic agreements. We will also work with TPAs to further improve the competitiveness of our offering if necessary.

Our value proposition to fleet managers:

- Standardized insurance product across markets that fit their requirements (e.g., MTPL with deductibles, DIC/DIL across markets)
- Ability to price different type of fleet use cases, integrate vehicle innovation in product design (e.g., telematics) and fleet related services & risk management solutions
- Standard RSA solutions and connected-car services, such as predictive maintenance or stolen-vehicle tracking functionality
- Alternative fleet financing options for larger fleets in collaboration with Allianz Investment Management
- Offerings will help reduce TCO for fleets and present a differentiated offer in the market
- Investment into a state-of-the-art “Mobility Operating System” and a target underwriting model which will enable central pricing, data management and reporting

Key facts

- **Shareholder:** Allianz SE
- **HQ Country:** France
- **Presence:** 75 countries

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Arval: "Want to make a difference? Aim high!"

For corporates and their fleets, sustainability is no longer just a nice add-on. It's urgent and essential. And so is the question: How? Arval experts Dan Boiangiu and Shams-Dine El Mouden identify two main areas – electrification and alternative mobility – and one mindset: "If you want to make a difference, aim high!"

Arval received platinum-level recognition from CSR platform EcoVadis earlier this year, meaning Arval is in the top 1% of sustainable companies in its industry.

Pioneering role

"We're proud of our pioneering role. It's also a useful one: 100% of our recent RFPs have a CSR component. Everybody is getting into sustainability," says Dan Boiangiu, Arval International Business Office (IBO) Director.

"According to the most recent Fleet Barometer from the Arval Mobility Observatory, fully 70% of companies worldwide have already implemented or are planning implementing electrified vehicles in their fleet within the next three years," says Shams-Dine El Mouden, Arval Consulting Director.

No wonder. The nudges are many. CO_2 reduction is good for the planet, but also reduces cost. Customers, shareholders and investors are all scrutinising corporate sustainability scores. Employees want it. And employers want to offer it.

Maturity Index

"That's why we've developed an EV Maturity Index. It ranks the 50 countries in the Element-Arval Global Alliance network, using a sophisticated basket of variables, including taxation, TCO, charging infrastructure, and so on," says Mr. El Mouden.

The index goes live at the end of September and will be updated regularly. It will help international clients to prioritise where and how to electrify first. It's also a tool to harmonise EV policies – not easy, given the extreme variety of national and regional regulations.

Dan Boiangiu
Arval International Business Office (IBO) Director

"Each company will find different things in the index, according to its needs and priorities," says Mr. Boiangiu. "Some may choose to cluster their efforts geographically, or in terms of incentive type. Others may want to start in an advanced Country – say, the Netherlands – and set a benchmark there."

Mobility alternatives

Arval is broadening the scope of sustainable solutions beyond the 'eligible population', offering low- and no-emission vehicles via so-called B2B2E schemes – essentially, private leasing for employees, under the protective umbrella of their employer.

But sustainable mobility also means looking beyond the car, at mobility alternatives like e-bikes or e-scooters, both as individual or shared mobility means. The shift towards mobility alternatives has only been accelerated by the wave of pandemic-induced homeworking.

"Both the patterns and the expectations around mobility have changed drastically. With our customers, we examine what their ambitions are, analyse and map their employee mobility patterns, audit their building accessibility and design their future employee mobility offer," says Mr. El Mouden.

Crucial journey

For this, the company can rely on Arval Mobility Consulting, a new approach building on long experience, helping customers explore the potential of alternative mobility solutions. The result is a tailored mix of individual, shared, and multimodal mobility and – where available – MaaS solutions.

As mobility gets cleaner, it's also becoming more complex. But with expertise and ambition, corporate fleets can change to benefit both the planet and their bottom line. "This journey to sustainable mobility is crucial for the well-being of our planet; if you really want to make a difference, you have to aim high", says Mr Boiangiu.

Shams-Dine El Mouden
Arval Consulting Director

Want to transition to greener fleet and know more about our consulting services, contact us:
ibo@arval.com
shamsdine.elmouden@arval.com

Polestar seizes chance to revolutionise the industry

Polestar is an electric performance car brand unlike any other. It innovates to drive progress and create a better future, a future that is sustainable and strikingly beautiful. It is also a future built on digital capability, on a digital retail experience and on a sustainable foundation.

Polestar is in a remarkable position. As other brands are struggling with the shift to EVs in an attempt to avoid stringent EU fines, the Geely-owned carmaker has CO_2 emissions to spare as it is now a fully electric brand.

Expand digital capability

Polestar is growing at an unprecedented pace. At the core of its journey is a digital expansion, as the company is looking to disrupt the automotive industry, to innovate and to accelerate progress.

This is why the Polestar Digital Team is looking to scale its capabilities further, to become one of the top employers of choice for digital and tech talent from around the world. In all, it is looking to hire more than 100 tech experts at its global headquarters in Gothenburg, Sweden, over the next few months.

Polestar is looking for a wide range of digital experts to push the boundaries of technology and software development, with roles like service engineers and designers, digital and technical leads, business analysts, UX/UI designers and more.

Already today, Polestar 2 owners are benefitting from remote software updates that bring the latest features and functionality to their cars. With the digitally connected Polestar 2, the digital environment is constantly improving.

The Polestar 2 is the company's first fully electric, high-volume car.

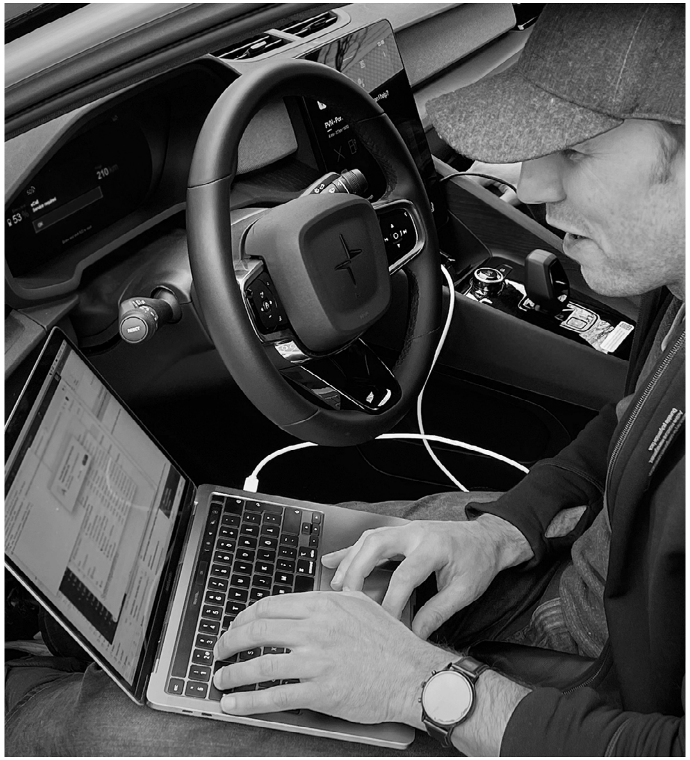
Polestar Spaces
Polestar goes beyond revolutionising cars. It also overhauls the traditional retail experience, working instead with Polestar Spaces. Typically established in high-footfall areas, a Polestar Space is where potential customers can pop in to get a look of a Polestar or to book a test drive.
Polestar Spaces aren't traditional dealers, as retailers operate on a non-commission, fixed fee per sale agency model agreement, with all sales completed online.

Digital retail experience
Aftersales service in the hands of a network of Volvo franchisees, with collection and delivery of cars (including the option of a courtesy car) a defining Polestar USP.
The retail experience itself is entirely digital, allowing customers to do everything online, from finding information about the cars, configuring the Polestar 2 and placing an order. Throughout the ownership, Polestar maintains a close connection between the brand and the customer.

Sustainable underpinning
If Polestar aims to revolutionise the car industry, it is not only about the product and the services, it is also about the philosophy that underpins the whole company. Polestar strives to make the most significant contribution to climate change since the car was invented.

"What is at stake here is not how much financiers think a company is worth," said Thomas Ingenlath, Polestar CEO, "but the chance to revolutionise the auto industry, turn it electric and at the same time make a huge contribution to protecting the climate. Put against these important themes, a market valuation is a very insubstantial and meaningless marker of success."

For Polestar, the pathway to a cleaner planet passes through its design studios, its research departments, its factories, its supply chain and its boardrooms.



The Polestar Digital Team is looking to scale its capabilities further.

Get in touch with Polestar to touch and feel one for yourself!: **www.polestar.com**

Fleet expertise at its best

A steady increase in international requests for vehicle proposals has been observed for several years now. Multinational companies are striving to harmonise their global fleets by restricting themselves to a few vehicle manufacturers as partners. This enables them to reduce both the complexity and the cost of their fleet business.

The core business of Volkswagen Financial Services also includes **support for internationally operating fleet managers** – from tender and implementation management to international fleet reporting.

This comprehensive range of products and services is able to satisfy all the fleet requirements of the Volkswagen Group's major customers, however extreme or wide-ranging – even in the **brand-independent leasing business.**

The **International Fleet experts at Volkswagen Financial Services** are ready to help customers in a total of 37 countries when it comes to identify a transnational fleet management concept for their company. Customers can take advantage of many years of experience and knowledge of the different circumstances and conditions that prevail in the individual countries.

On the basis of customers requirements, the International Fleet experts of Volkswagen Financial Services liaise with the local companies involved and present customers an individual mobility solution for their fleets with a **broad range of internationally harmonised services** – on-site, regionally and across country borders.

In addition, **administrative costs can be significantly reduced** by Volkswagen Financial Services **management of the international tenders** and bids from a central point and by the coordination of all processes and information.

The **international key account managers** are the central points of contact and will look after international fleet customers regarding all fleet services.

Volkswagen Financial Services takes over the **central implementation of the fleet management** services in the vehicle fleet and ensures that everything runs smoothly through the local points of contact.

Throughout the entire implementation phase, our staff offers individual care and support on-the-spot – **without language barriers** getting in the way.

Our strengths at a glance:

- International fleet competence in 37 countries
- International tender management
- International fleet reporting
- Harmonised products and processes
- Cross-brand leasing
- International fleet management services
- Multi-brand business

Contact Volkswagen Financial Services at: **internationalfleet@vwfs.com**

Balancing between growth in home-working, car shortages & telematics

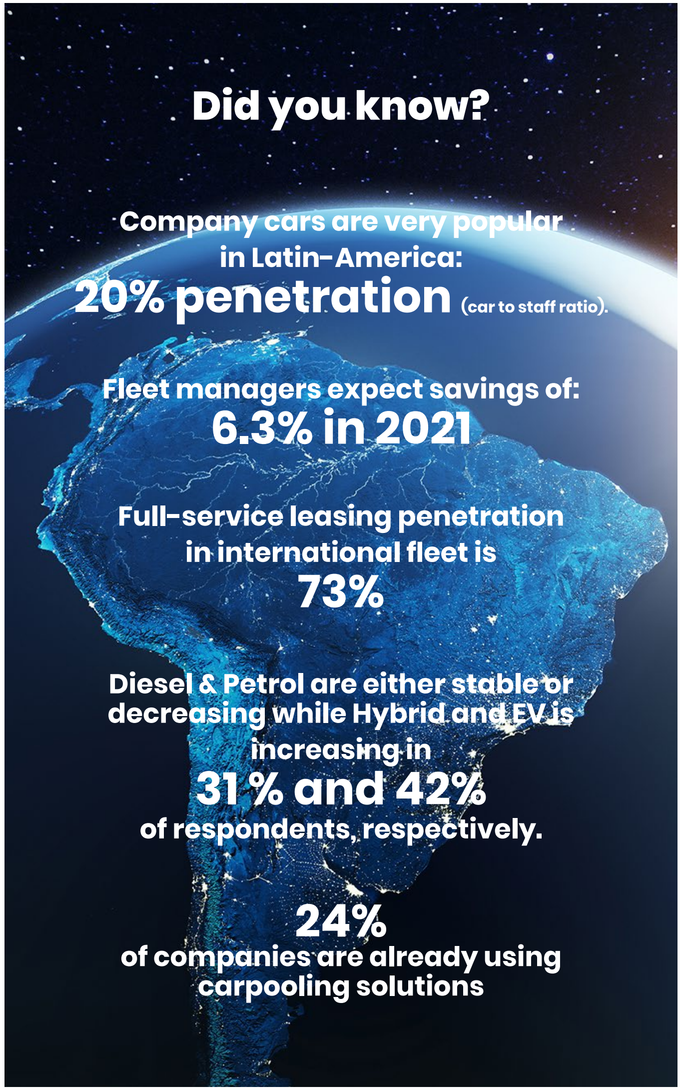
According to the World Bank: "Latin America has been one of the hardest-hit regions by the pandemic and it is expected to be among the slowest to recover." GDP is projected to grow 5.9% in 2021, assuming moderate progress in vaccine rollouts in most countries and eased mobility restrictions. Growth is projected at 2.5% in 2022 and a full recovery to pre-pandemic levels will be protracted in much of the region toward the end of 2022.

Despite the direct consequences of the pandemic, Latin America continues emerging as an important vehicle fleet and mobility region, with an interesting and promising outlook for the near future.

1. Lower mileage and delays on car deliveries induce contract extensions.

In 2020 and the beginning of 2021, homeworking and digital meetings have reduced company car usage and related costs. The car industry is still suffering from microchip shortages which have heavily affected the production in Brazil, Argentina and Mexico.

- Half of Brazil's automotive assembly plants stopped part or all of their production for periods ranging from days to a full month and this has heavily impacted registration figures. This year, a total of 1,170,000 vehicles (passenger cars and LCVs) were sold by the end of July, 26% more than in the same period last year, but still 21% less than in 2019.
- In Mexico, where OEM priority is to export, leasing company are facing difficulties to source new cars and, in some cases, delays can be up to six months. Year to Date sales were 602,000 units at July end, an 18% increase in sales compared to 2020 but 19% less than in 2019.
- In Argentina, the third most important car manufacturing country, the situation is very similar to Brazil and Mexico with 230,000 registrations at July end which is 31% more than last year but 20% less than in 2019 in the same period.



- In Chile, the situation is slightly better because all cars are imported. Registrations have reached more than 200,000 cars which is 82% more than last year but still 7% less than in 2019.

It is interesting to note that the LCV market has already fully recovered while the passenger car market remains 20% below 2019 level for the four countries. We expect that this is a consequence of the OEM policies which consist of selecting the model they can produce primarily based on the profitability they generate and the quantity of microchips they require.

2. Telematics is transforming mobility

In the mobility area, scooters and bikes are developing slowly in a relatively hostile environment due to security issues. E-hailing continues to grow quickly for the same reason but what really needs to be mentioned is the success of connected solutions.

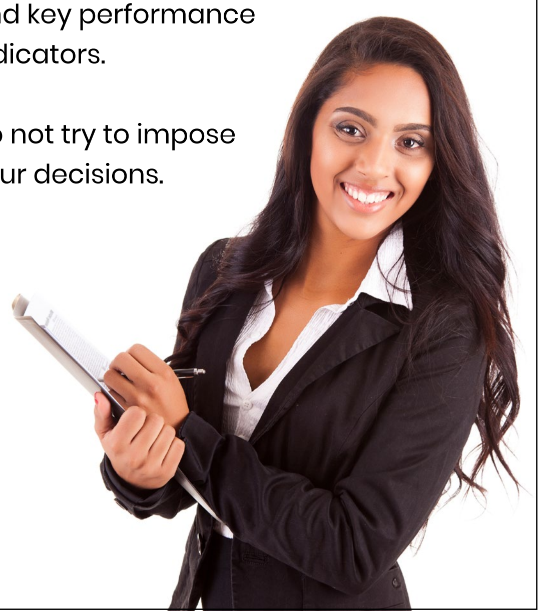
Telematics is growing fast, and most leasing companies are indicating that their new deliveries are equipped with a telematic device. It started with geo-location, but it also aimed at finding solutions to theft. However, there is a growing demand from international corporations for data aimed at measuring costs efficiencies and driver behaviour.

Connected cars are required by international corporations for making saving and increasing their productivity, but they are starting to see a trend towards security and driver behaviour. Most recent contracts for new vehicles or new customers include telematic services as a part of its commercial tool.

Telematic is also used to prepare fleet electrification. In Costa Rica, Colombia and Brazil, they are observing a growing demand for electric vehicles. However, car prices remain quite high when it comes to traditional brands. Nevertheless, newcomers from China like JAC, Changan or BYD might impact and accelerate the transformation.

5 Fleet Management Tips

1. Make a full inventory of your company cars and providers.
2. Visit all the countries to understand their particularitites.
3. Make sure you get management support and coordination at both regional and local levels.
4. Define global rules, objectives, and key performance indicators.
5. Do not try to impose your decisions.



European fleets are pioneers in electrification and mobility

European fleet managers are pioneers in electrification and mobility solutions. But being ahead of everyone else comes with its own problems and worries. Which suppliers will help them solve these issues?

By far the most mature fleet market, Europe seems to be entering a post-leasing future. A sophisticated bunch, European fleet managers confidently set high standards when it comes to getting what they need. And they're not afraid to go find it elsewhere.

For example, nowhere else are fleet managers keener on unbundling services from their leasing contract than in Europe. Fuel (59%) and insurance (51%) are the most popular areas, followed by fleet management (38%) and tires (17%).

Meanwhile, no less than 68% of European fleets require annual savings – slightly more than in other regions. The average savings required amount to 7.8% - again slightly more than anywhere else.

Most fleet managers (71%) expect at least part of these savings to come from either OEMs or leasing partners, followed by cost control (62%), vehicle selection (59%), optimised fuel usage (52%) and a revision of contract terms (51%).

All of these figures are much higher than in other regions. That's a lot of pressure, and leasing companies in Europe are feeling the heat. Just over half (52%) of fleet managers want to change leasing partners in at least one country, especially Germany (14%), Belgium and Denmark (both 11%).

Did you know?

- Global HQs are often based in Europe, which is a unique opportunity to get **internal stakeholders** on board.
- In just two years, **reducing CO_2 output** by adopting EVs has become the major fleet management issue by far. Europe is leading the way.
- Half (50%) of fleet managers think home-working will lead to a **reduction in the number of benefit cars.**
- Globally, **mobility budgets** are still a marginal offer, but they're increasingly mainstream in Belgium, the Netherlands, Germany, Switzerland, the UK and Italy.
- Only 21% of fleet managers are 'very' satisfied with their **leasing partner's support in electrification,** with 50% 'somewhat' satisfied. Almost 9% are dissatisfied.

And yet: fully 93% of fleets maintain that full-service leasing is their preferred finance solution. That fundamental remains strong – stronger than elsewhere. Perhaps the lease companies just need to relight the fire of their long-standing customer relationships.

Fortunately, exactly such an opportunity presents itself. Its name: electrification. Fully 90% of European fleet managers expect the number of full EVs in their fleets to increase by the end of this year – a higher share than anywhere else in the world.

However, fleets globally continue to struggle with electrification worries like charging infrastructure, range anxiety and day-to-day EV management.

The story is broadly similar for mobility solutions, with European fleets way ahead of anywhere else when it comes to providing alternatives to the 'classic' company car. Some of the main obstacles mentioned here are: lack of offer, lack of information, not enough time to implement.

In the minds of fleet customers, both the lack of information and the lack of a global consultancy offer are problems that have increased in importance over the last two years. Combined, they make up their biggest worry.

Customer worries are supplier opportunities – or so they should be...

Did you know?

- Europe remains a **key region** – included in the responsibilities of 98% of global fleet managers.
- On average, European fleets work with **5 finance providers** and 8.4 OEMs. That's more than any other region.
- Fully 92% of European fleets think **the number of diesels** will decrease this year, while 90% expect the number of EVs to increase.
- 65% of European fleets have a **CO_2 cap** in place.
- European fleets offer more **mobility solutions** than in any other region, ranging from micromobility (44%) and carpooling (43%) to carsharing (24%) and bikesharing (5%).

North America seeks Finance Lease, EV & Carpool on the rise

As most North American companies are willing to take on residual value risk, 67% prefer finance lease, while only 29% prefer full-service leasing and 10%, outright purchases. Most fleets are work-tool vehicles which are self-financed, so the global chip shortage is a crucial issue which has heavily impacted the region.

Meanwhile, the administration of US President Joe Biden has announced a national infrastructure plan which entails vehicle electrification, an influencer to fleet management and the future of the region.

- **34%** of global headquarters located in the US
- North America has **20,245** employees and **1,601** vehicles on average
- Only **14.1%** of employees have company cars (world average 16.5%)
- US ranked second in light commercial vehicle fleet (3.5t or less) and third in car fleet
- North American fleets have **757** LCVs on average

Fleet Management

The unbundling of maintenance service is more common in North America than other regions worldwide. Despite just 13% practicing this on the continent, it is even less elsewhere.

The issue of unbundling fuel on the other hand is less common than other regions of the world, being seen in only 21% of companies today compared to 48% in 2020. Approximately 67% of companies are seeking to cut costs (7% on average) in 2021 (mainly OEMs).

Car Manufacturers

Fleet size is starting to make a comeback. While only 7% of companies saw their fleet size increase in 2020 compared to 20% the year before, approximately 16% of companies are expecting their fleet to increase in 2021.

In terms of powertrain, the number of internal combustion engine (ICE) vehicles is dropping while electrification is up.

- **51%** of companies see diesel down in 2021, compared to a **31%** drop in 2020
- **53%** of companies see gasoline vehicles down in 2021, compared to **19%** drop in 2020
- **57%** of companies see electric vehicles (EV) up in 2021, compared to **35%** rise in 2020
- **60%** of companies see hybrid vehicles up in 2021, compared to **52%** rise in 2020

When it comes to curbing CO_2 emissions, North America is behind Europe but pretty much in line with the other regions of the world.

While 35% of companies have defined a CO_2 cap in 2021, some 48% are planning to have a cap by 2025. The cap average is seen at 140 and 100 respectively.

5 Mobility tips

1. Make use of **Carpooling** (Nearly half of companies using this tool)
2. **Car Sharing** is a possibility but less popular (16% seen using by end-2021)
3. Offer **Micro-Mobility** – scooters, bikes – but mainly in urban areas. (1 in 10 companies use)
4. **Bike sharing** not gaining much traction so implementation may be tough (2% of companies seen using by year-end 2021)
5. Find **alternatives** other than mobility budgets (Only 2% of companies offering)

Stuck between ambition and reality: the APAC energy issue

APAC corporate fleets have received an increasing level of global attention over the past few years, essentially because of the region's growth, reflected in its contribution to corporate P&Ls.

Key indicators such as life expectancy, GDP and GNI per capita continue to rise, but so do CO_2 emissions: industrial expansion and a growing middle class require more energy, which is essentially delivered by carbon fuels. The car per capita ratio remains low – except for highly industrialised countries –whilst the need for mobility increases.

Offering a mitigation for the delta between mobility needs and traditional mobility offering (cars and public transport), alternative mobility providers are omnipresent and more mature than is the case in other regions. This maturity is expressed as a combination of users/app downloads, rides and service portfolio; e.g., Grab, based out of Singapore, delivers has completed 1.9 billion transactions in 2020 across 8 countries. Mobility providers in APAC offer, in addition to transportation, financial services (digital wallet, pay cards, insurance, loans) and deliveries (food and parcels). As such, they are a real alternative to the company car in APAC.

The OEM and car leasing infrastructure are gradually improving as expertise is brought in by global players (e.g., ALD Automotive) and local providers have started to operate more regionally. Free trade zones, such as ASEAN for South-East Asia, and regional collaboration efforts are accelerating the process. Nonetheless, it remains challenging for Fleet professionals to achieve regional consolidation.

Did you know?

The average fleet size in APAC is
889 vehicles

Japanese fleets are the largest in APAC and the
9th biggest fleets globally

Asia Pacific fleets are expected to deliver
5.5% savings

Operating lease is the most popular vehicle finance solution
75%
but suppliers are lacking in many APAC countries

EV penetration is expected to reach
39%
in APAC, but 59% of APAC fleets don't expect to have a CO_2 cap in place by 2025

Across the region, different and uncoordinated trends define APAC's push for sustainability

The most noticeable 2021 changes are:

- **China** has, for several years already, incentivised electrification, both from a consumer and manufacturer perspective. Recently however, China has launched a comprehensive initiative in favor of hydrogen, reducing/finetuning the incentive amounts for EV acquisition and production.

- **Indonesia** holds one of the largest global reserves of nickel and has recently allowed for access to these reserves to foreign investors. Especially South-Korean manufacturers have seized the opportunity and are now building EV-battery plants as well as EV-car manufacturing facilities in the proximity of the nickel mines.

- **Japan** has announced that by 2035, all passenger car sales will be electric; this includes however HEV which unveils a fundamental difference between the country's main OEM, Toyota, and the other OEMs. Toyota's strategy is focused on a transition from HEV to hydrogen, whereas the other manufacturers prepare for electrification.

Overall, the combination of GHG accounting requirements and the lack of a regional sustainability strategy only add on to the existing fleet management challenges in APAC. This leaves the corporate fleet professional with choices to make.

The best place to start is to set the bar correctly and establish data transparency, alongside policy or process harmonisation. These initiatives will act as strategic enablers (savings, sustainability, safety) and accelerate achieving strategic goals.

5 Tips

1. Focus on **asset and HR data** consolidation
2. Anticipate to the challenge of **regional consolidation** and adapt your processes to localisation
3. Establish **country clusters** to overcome extreme localisation
4. Integrate **mobility solutions** as an alternative to the company car
5. Engage with your local stakeholders and providers to create awareness about **sustainability**

The challenges called electrification and carbon neutrality

With particular characteristics for each region it holds, Africa Middle East is a challenging but growing geography to unleash its true potential in the fleet market. The world's biggest used car market Africa urgently needs new technologies and opportunities for its immense young population. Facing rapid urbanization, the Middle East strives to improve public transportation and achieve climate goals.

Africa Middle East needs new mobility, EVs and climate goals to increase prosperity and quality of life. The comprehensive picture presented by Global Fleet Survey reveals the progress of AME in many aspects along with limitations. The need for alternative fuel cars is on the rise while new mobility trends appear to be limited. Additionally, carbon neutrality goals are not satisfactory for a region that is highly dependent on fuel. We should have a look to understand what is waiting for the fleet managers in Africa Middle East.

The total number of fleet vehicles is the lowest in the Africa Middle East region, directly correlated with the overall employee number, which stands at a little more than 536.000.

While full-service leasing appears as the most preferred fleet financing choice, fleet managers in Africa Middle East address various options to reduce costs. These include unbundling fleet management, maintenance, fuel, tyre and maintenance from the leasing contract.

Most of the fleet managers are required to generate annual savings. They expect the savings to come from leasing vendors (40%), OEMs (40%), cost control (38%), vehicle selection (38%), fuel (27%), and contract terms (27%).

Did you know?

69%
of global fleet managers have a fleet and responsibility in the region

Average fleet cars per company
455

Average LCVs in fleets
102

58%
of fleet managers in the region require annual cost savings

Other important facts about the region are the limited mobility solutions and lack of commitment to zero-emission goals. Figures from the Global Fleet 2021 Survey show the intention to reduce CO_2 emissions, but electrification still plays little part in the AMEA fleet and mobility strategy.

Additionally, the growth of alternative fuel cars has suffered growth during the pandemic period and has to be supported by new strategies.

While the increase in fleet sizes decreased, the use of diesel and petrol cars witnessed a sharp fall in the region between 2019 and 2021.

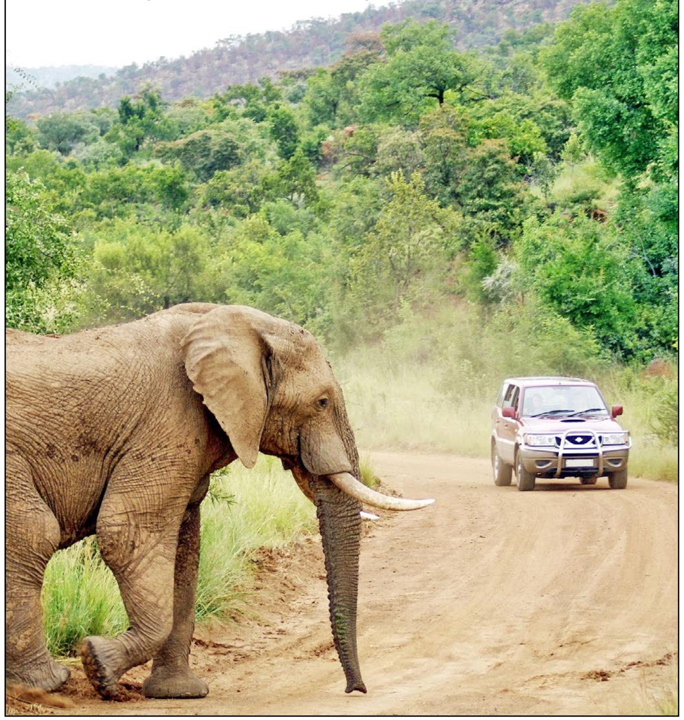
The limits in CO_2 caps per region is not looking promising. In 2019, 59% of the fleets ountries had a CO_2 cap of more than 250 grams per km. Looking into the future 27% of the repsondents says to be willing to install CO_2 caps of max 120 grams per km by 2025.

Did you know?

- **11%** of fleet managers are expecting their fleet to grow by the end of 2021.
- Between 2019 and 2021, the decrease in diesel jumped from **25% to 52%.**
- Between 2019 and 2021, the number of EVs increased from **14% to 33%** in 2021. Hybrid vehicles saw an increase from **30% to 47%.**
- Alternative fuel vehicles only saw a **4%** increase between 2019-2021.
- Most preferred mobility solutions by the end of 2021: Carpooling **(22%)**, Micro-mobility **(5%)** and Carsharing **(3%).**

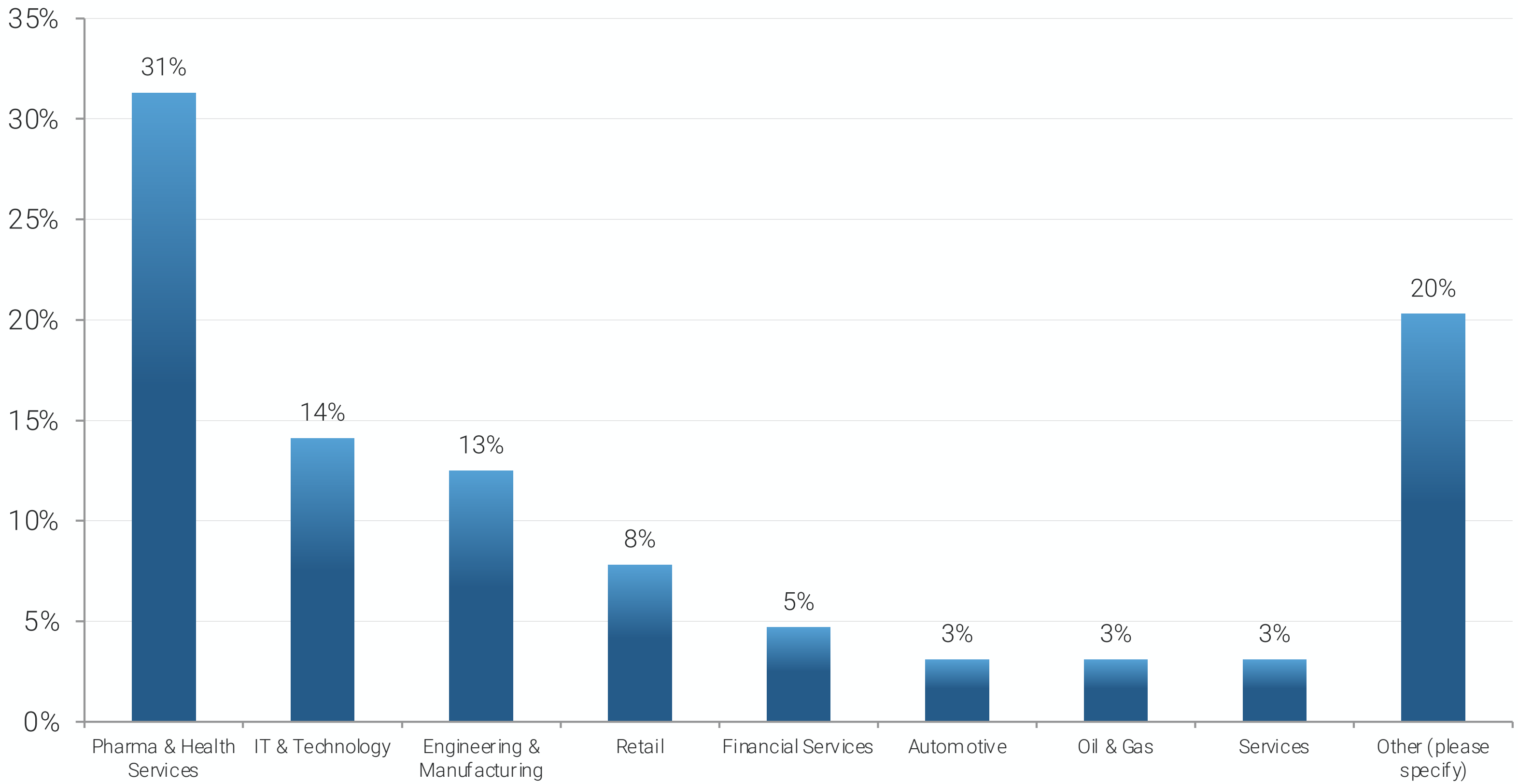
Tips for fleet managers

- **Think global, act locally** in the Middle East: Act accordingly to local demands and form strategic partnerships.
- Feed the African market with **new mobility** and **alternative energy solutions.**
- Increase awareness of the **benefits of leasing.**
- **Be flexible** and use opportunities presented to strengthen local strategy.



Which sector is your company active in?

The Pharma and Health sector continues to leading the way in fleet sizes, as far as the Survey is concerned. The sector, much alike the IT, Technology Engineering and Manufacturing sectors is focused on centralizing, optimizing and implementing new fleet models, which explains its engagement with the Fleet & Mobility ecosystem.

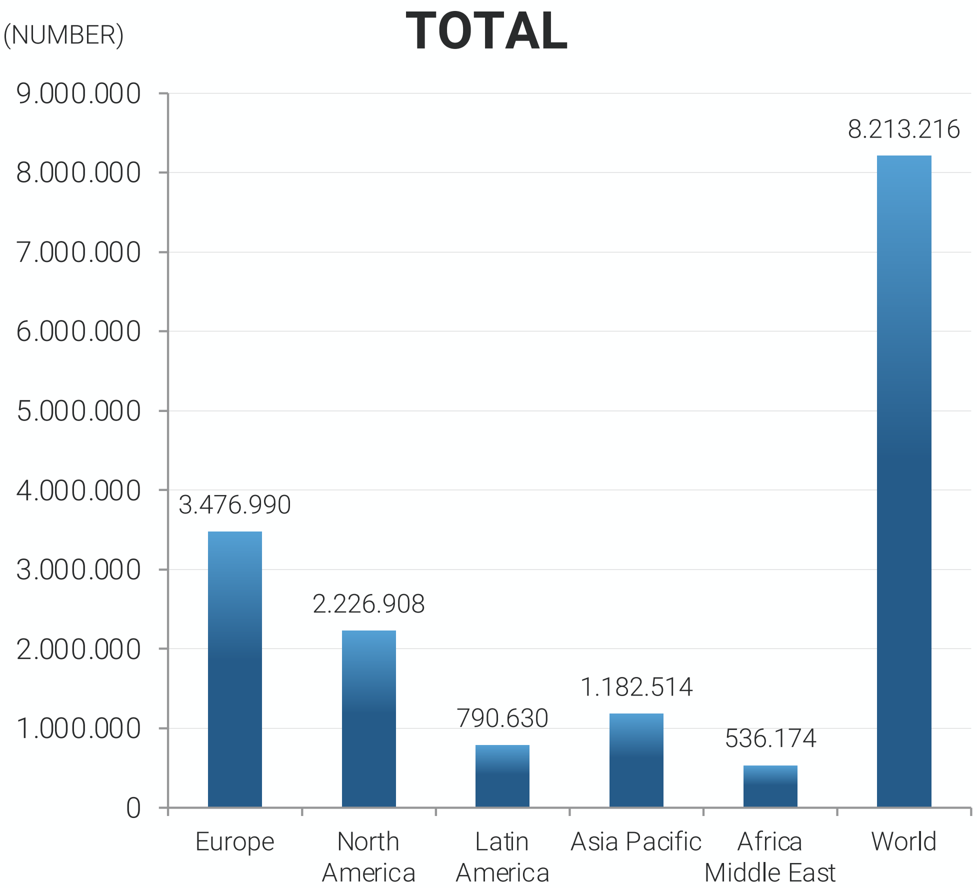


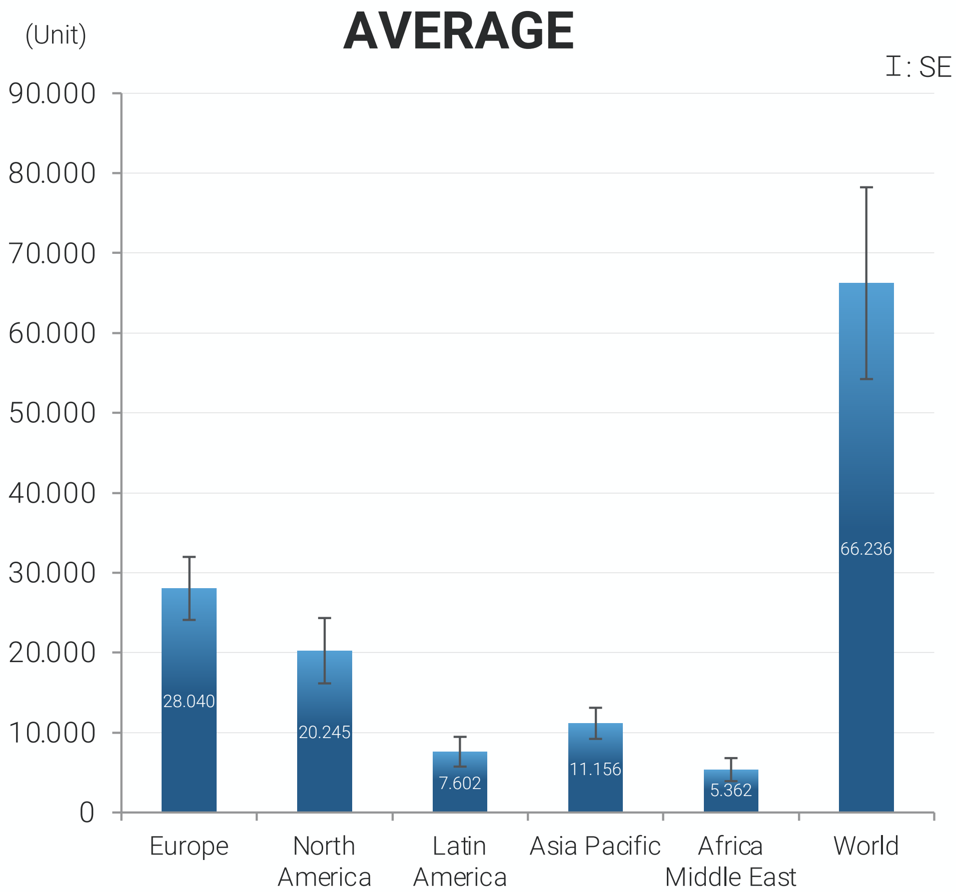
Other

Agro chemical
Business Services
Chemicals
Constructions
Consumer Goods (food)
Distribution
Electrical, motor and robotics
Operating mainly in robotics
Postal Operator
Staffing
Tabacco
Testing, Inspection and Certification
Utilities, Energy, Services
Wholesale/Distribution

How many employees does your company have?

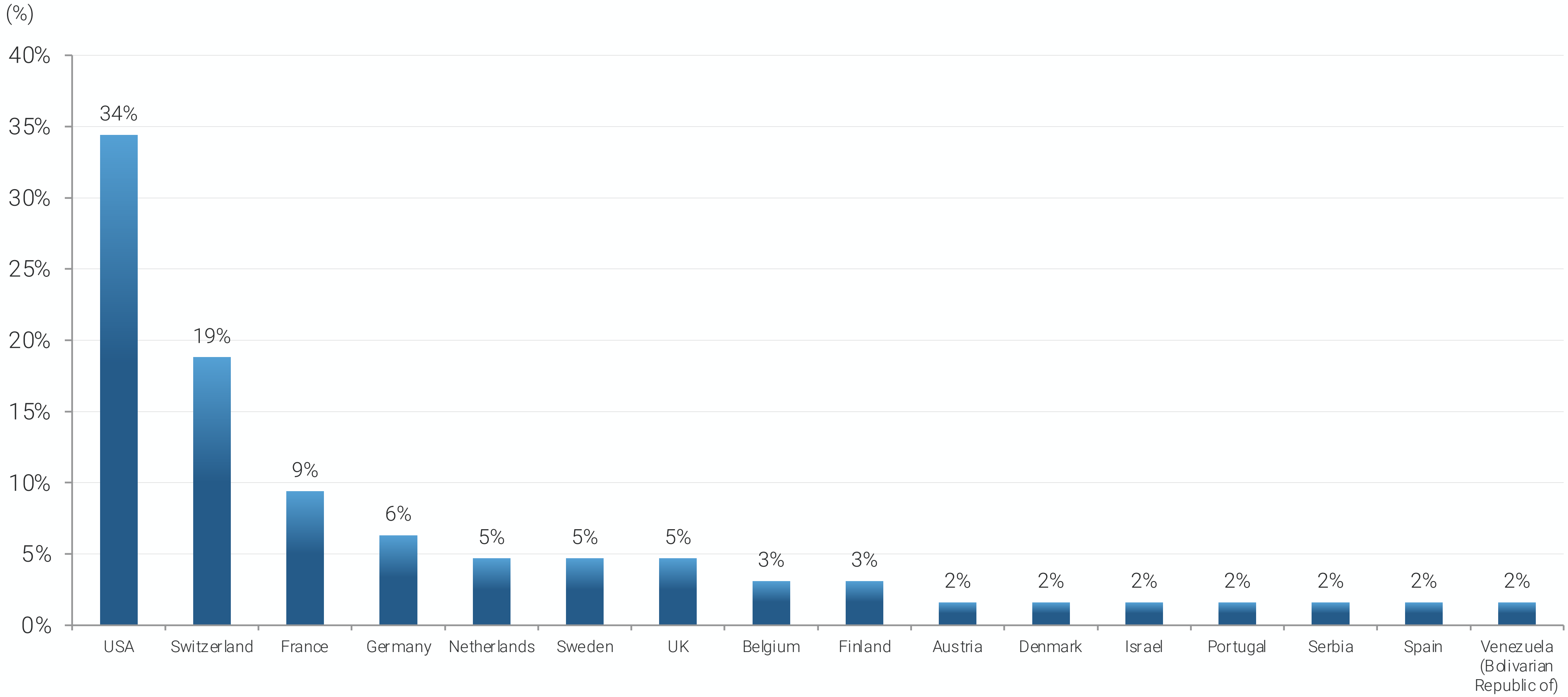
The survey participants are global companies, representing over 8 million employees in total. The numbers in APAC are on the rise, confirming a growth pattern that has started over a decade ago. The number of employees will gradually become more important than the number of cars as mobility makes it entrance, but also as emissions generated by commuting will have to be reported.





Where are your company's headquarters located?

The significance of Fleet & Mobility is in no way linked to the origins of the business. It continues to be driven by expenditure, safety, sustainability and employee benefits. US companies typically do not offer a company vehicle as part of their domestic benefit package, but continue to embrace the model in Europe.



What is the total number of fleet cars in your company?

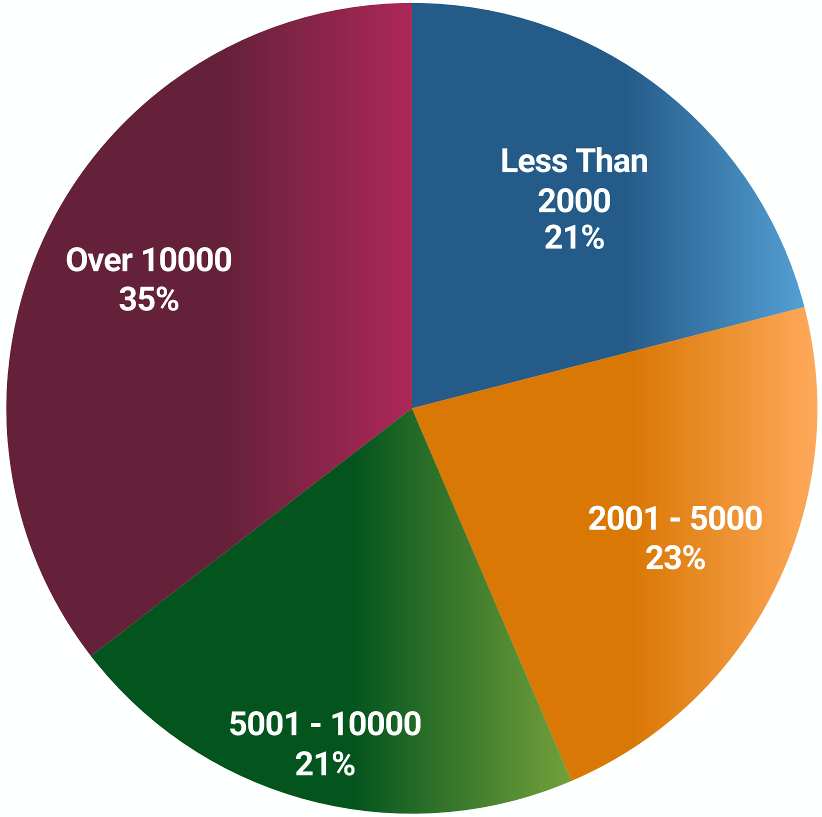
Reconfirming the importance of the benefit angle of the company car, fleets have been – and continue to be – larger in Europe than elsewhere. In other continents, fleets remain primarily Tool of Trade. Nonetheless, average fleet sizes have decreased compared to 2020 (Global Fleet Survey 2020 reports an average fleet size of 9873 vehicles), confirming the trend of shrinking fleet sizes.

TOTAL

1,047,488

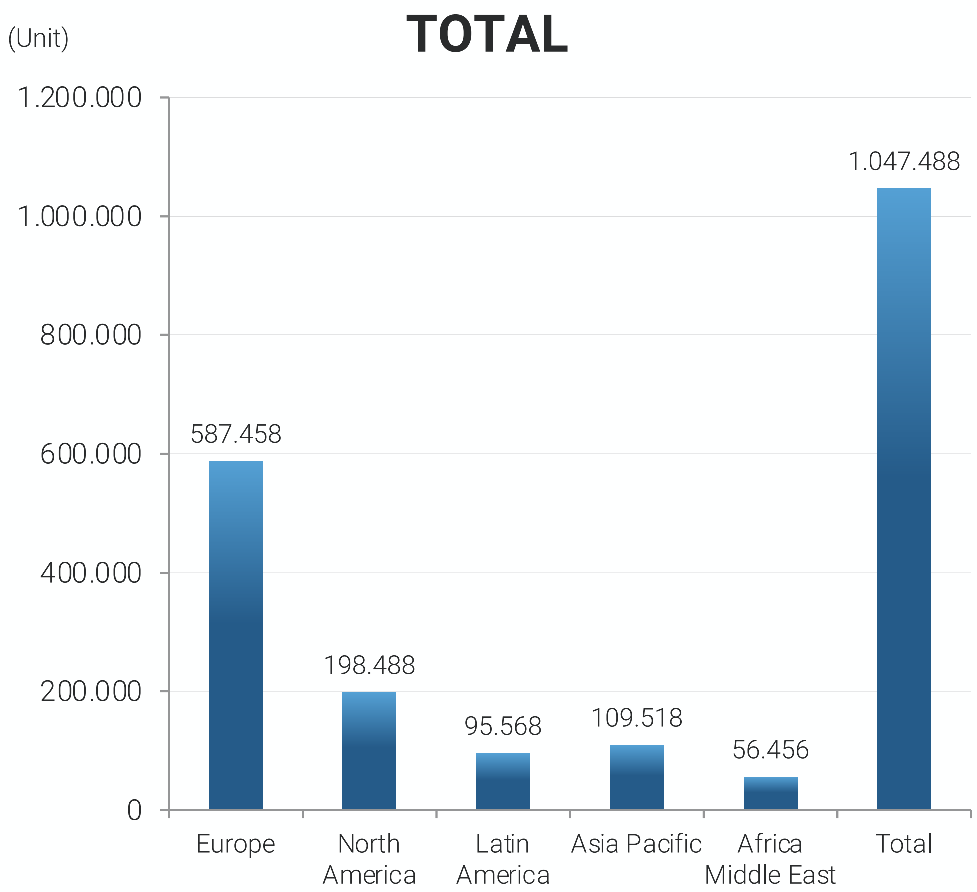
AVERAGE

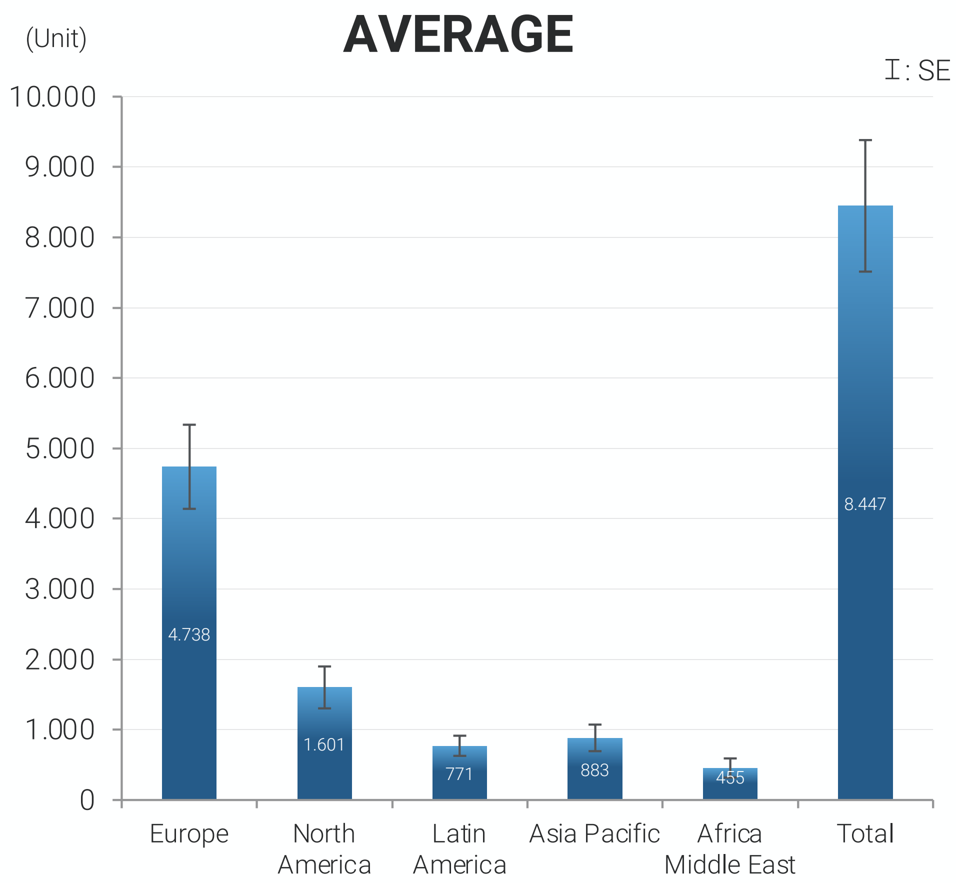
8,447



What is the total number of fleet cars in your company?

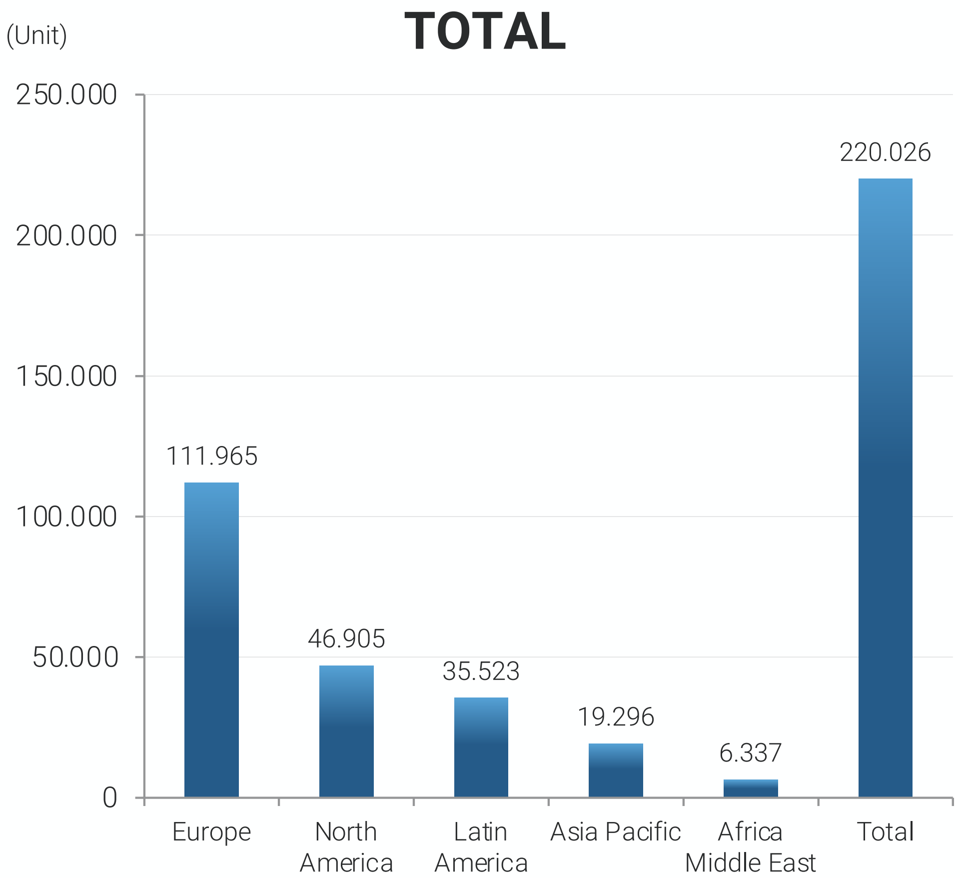
The average number of passenger cars in corporate fleets has decreased with almost 10% in comparison to 2020. Given the impact of the pandemic and the ongoing drive towards more flexibility for employees, we can expect this to continue over the next couple of years.

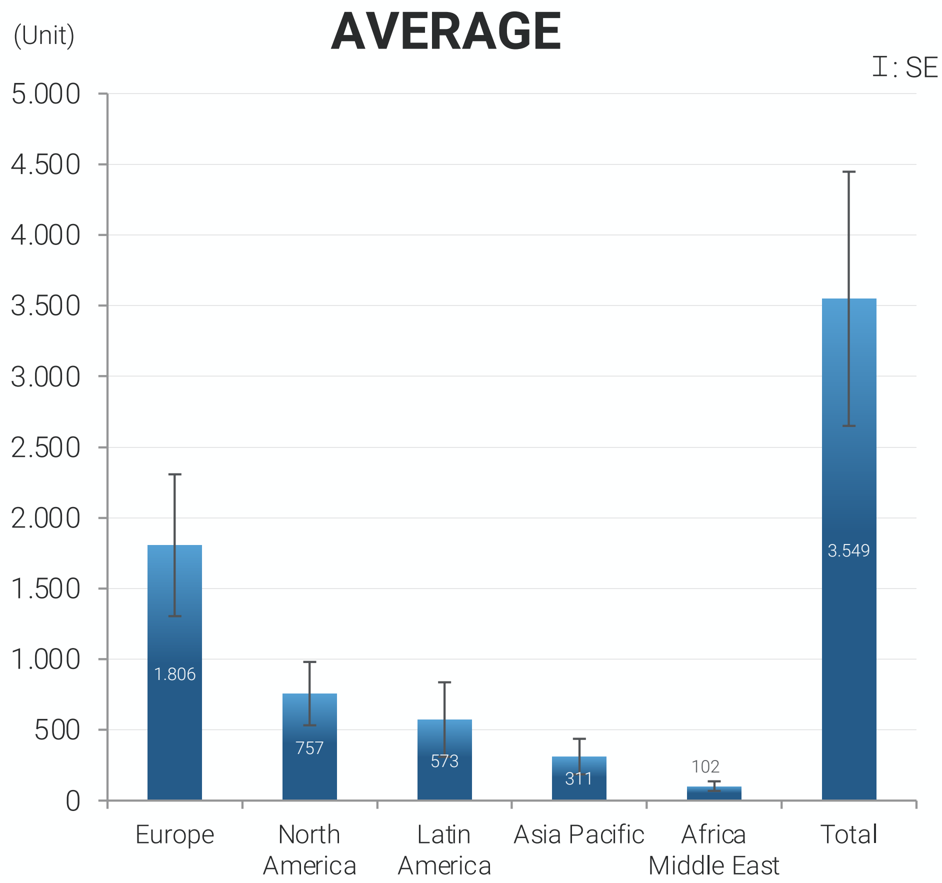




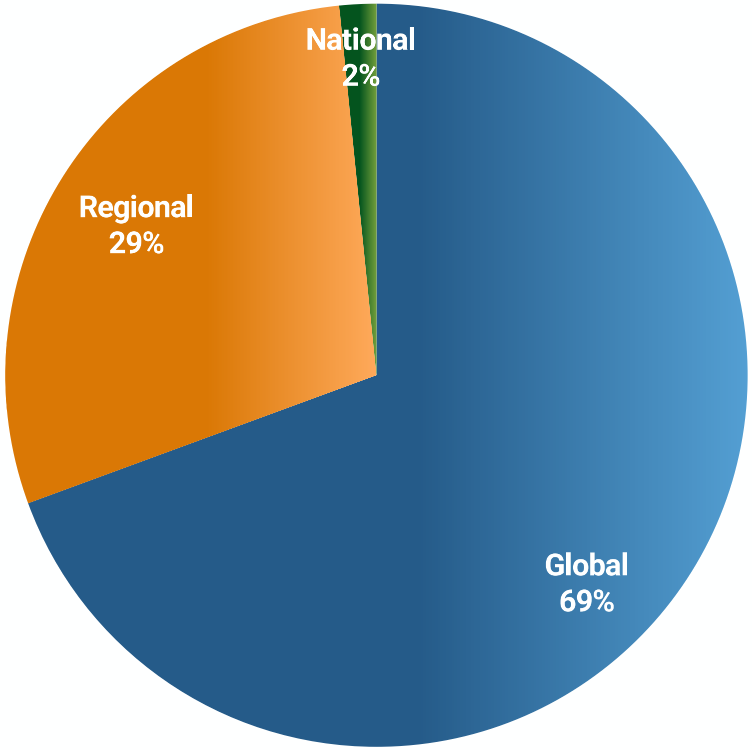
What is the total number of Light Commercial Vehicles (up to 3,5 t) in your company's fleet, per region?

The average as well as the total number of LCVs globally has increased with over 20%, up from 177.056 units in total / 2767 units in average. The rise of digitization and e-commerce has reached most business sectors, but also the global reporting of pure tool of trade vehicles has improved, delivering more accurate figures on vehicles that were typically managed locally only.



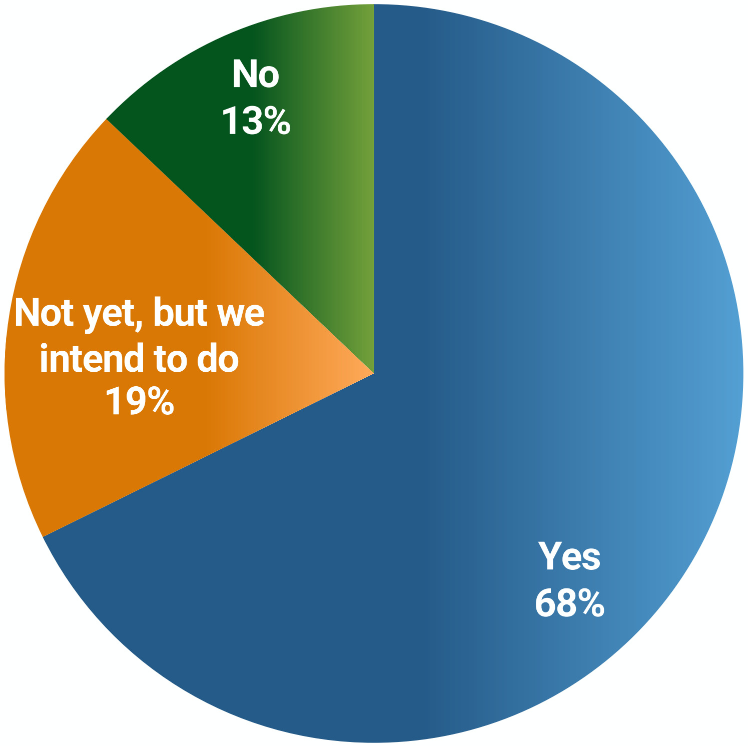


What is the scope of your responsibility?



Fleet Management is no longer a local category, and less a regional one, compared to 2020. The Survey participants' scope of responsibility is 8% more global than last year, underlining that fleet – mostly sustainability – strategies are defined on global level.

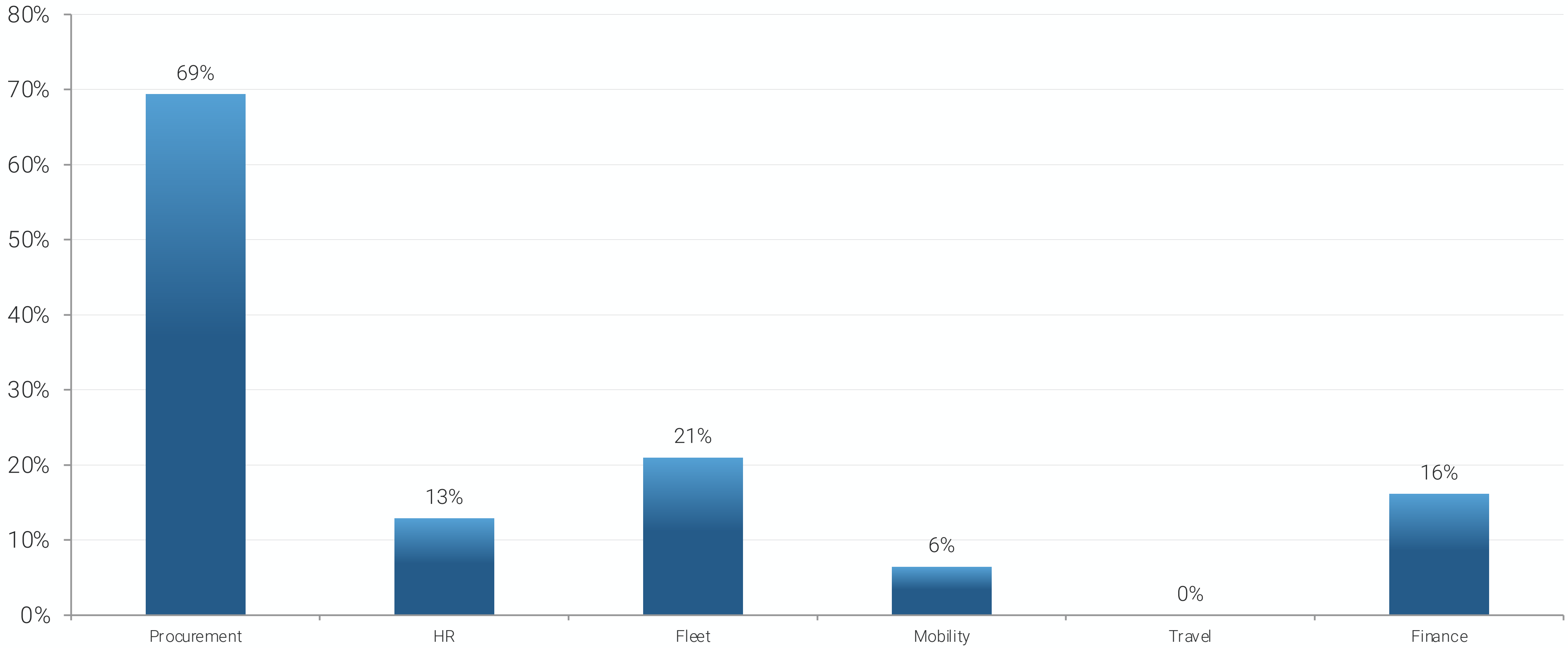
Do you manage your fleet with a global perspective?



The effective fleet management activities are interlinked with the responsibility scope of the category managers. The trend of globalization is initiated by companies operating larger fleets, but not limited to these. A growing minority (13% in 2021 versus 9% in 2020) of companies has no intention of centralizing fleet management, which might indicate that some companies have put on hold centralization initiatives during the pandemic year.

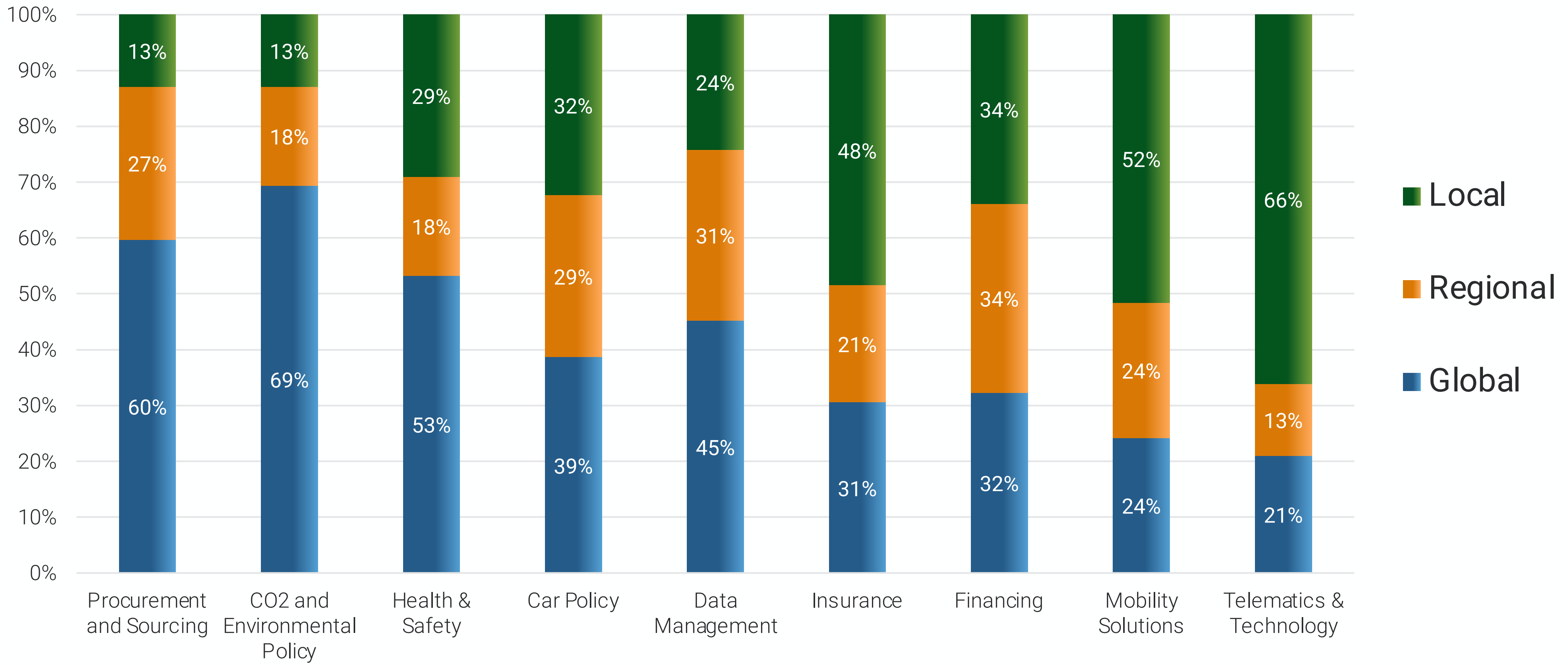
Which department(s) is leading the global team?

Procurement continues being in the charge of the fleet team, whereas HR has lost control of 14% of the reported fleet in the Survey (27% in 2020 versus 13% in 2021). The travel category, mostly reassigned to other tasks in 2020, is down to 0%, prompting the question whether and when fleet and travel will be reconnected.



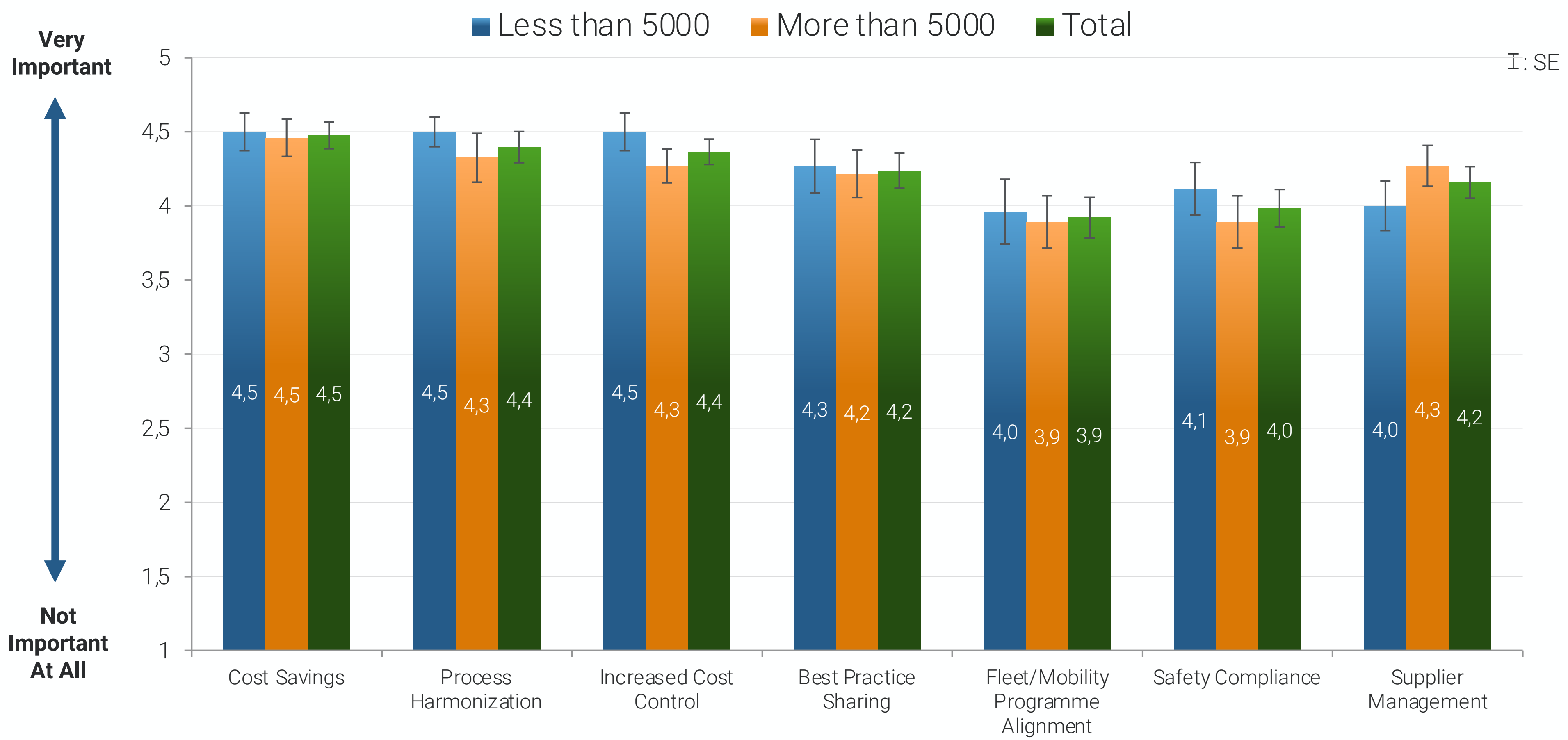
How are vehicle fleet management disciplines steered?

Savings, Safety and Sustainability are no longer local matters, and decreasingly regional matters. The most significant element is the rise of global sustainability steering, as many companies are coming to an understanding of the challenge to reach targets that have been communicated and committed to publicly.



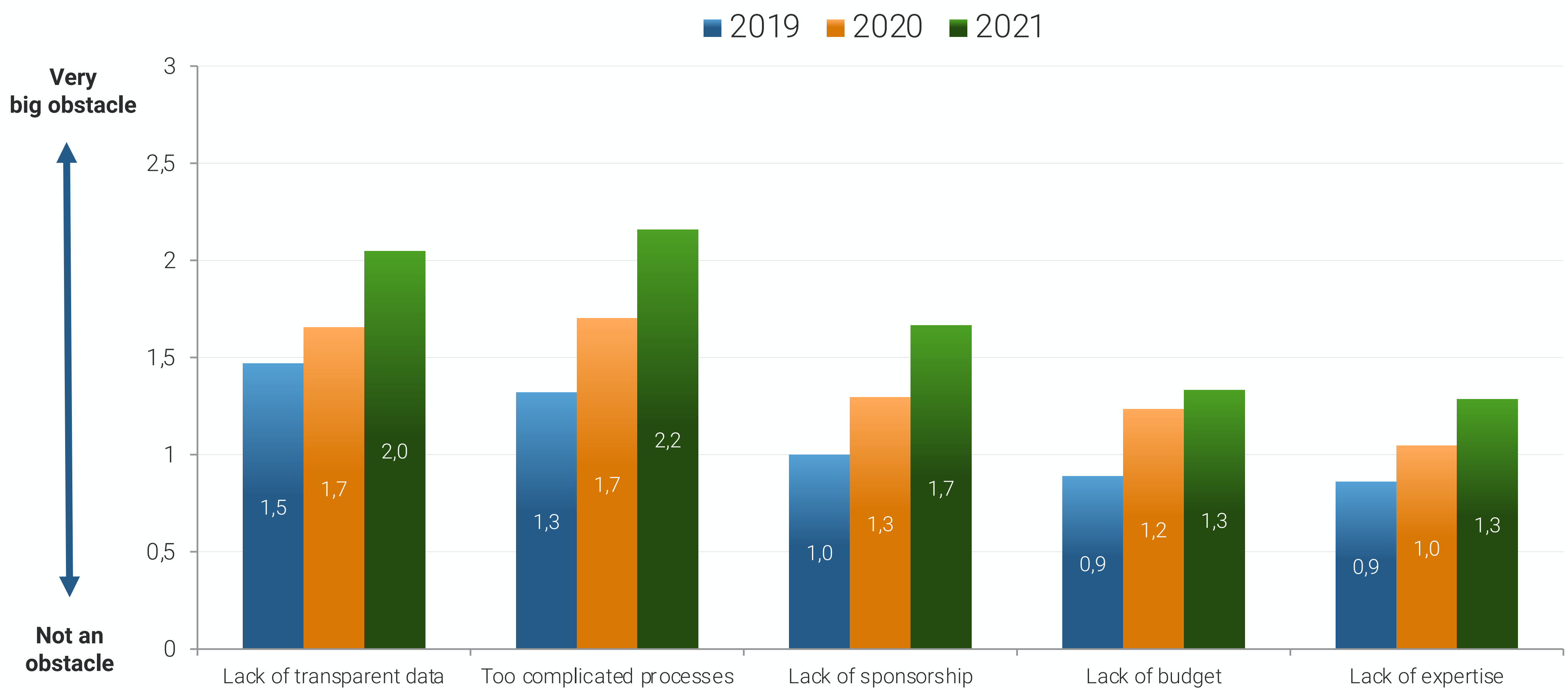
What are the main reasons to manage a fleet globally in 2021?

Cost and efficiencies remain the key elements of globalization, which reflects the focus of the procurement function as the main category lead. To be expected however over the upcoming years, is the rise of sustainability as the driving factor of centralization.



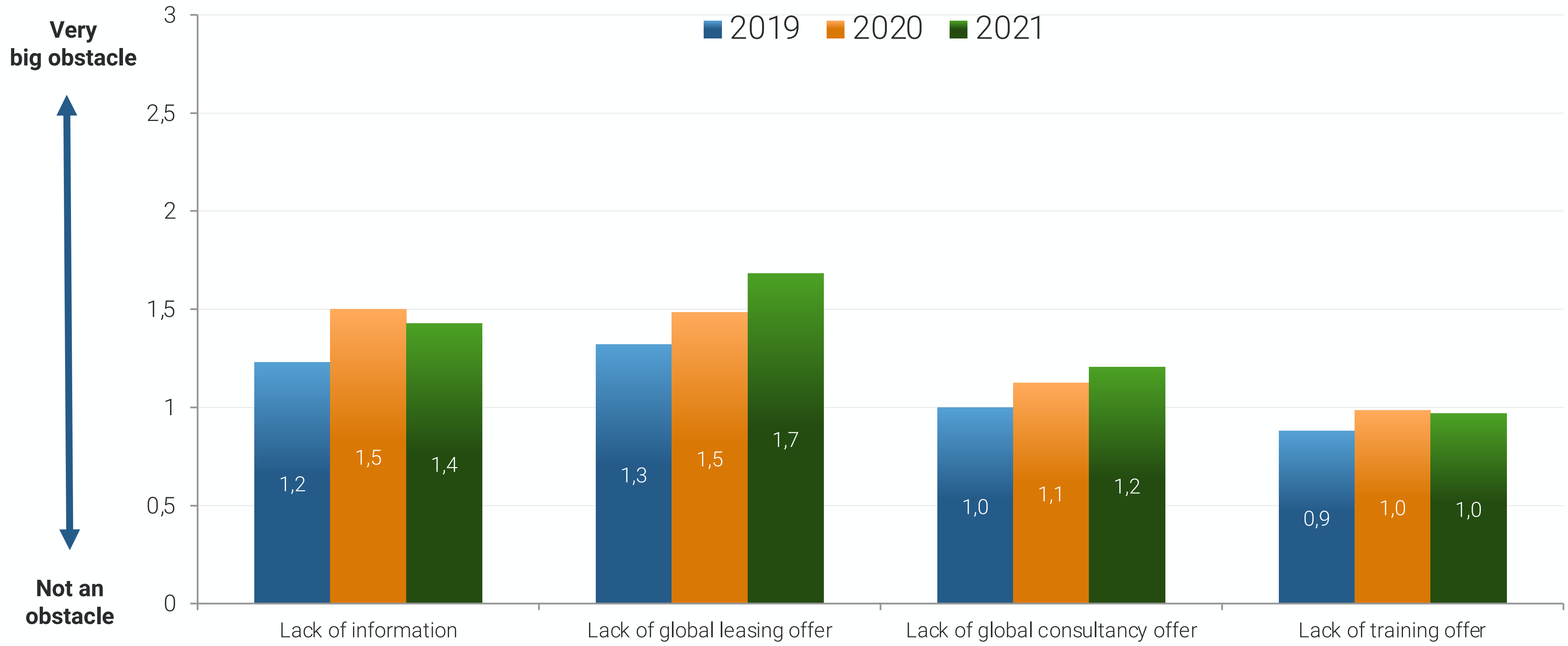
What are the main INTERNAL obstacles/challenges to manage a fleet globally? The transition from 2019 to 2021.

As the Global Fleet Survey's participants continue to centralise, they recognize data and processes as the main obstacle in doing so. The need for data transparency and process alignment has continuously been an obstacle, but its size has increased compared to 2020 (both on 1.7 in the 2020 Survey). This does not imply that data and processes have become more untransparent or more complex over the last 12 months, but that the need for harmonized processes and reliable data has increased.



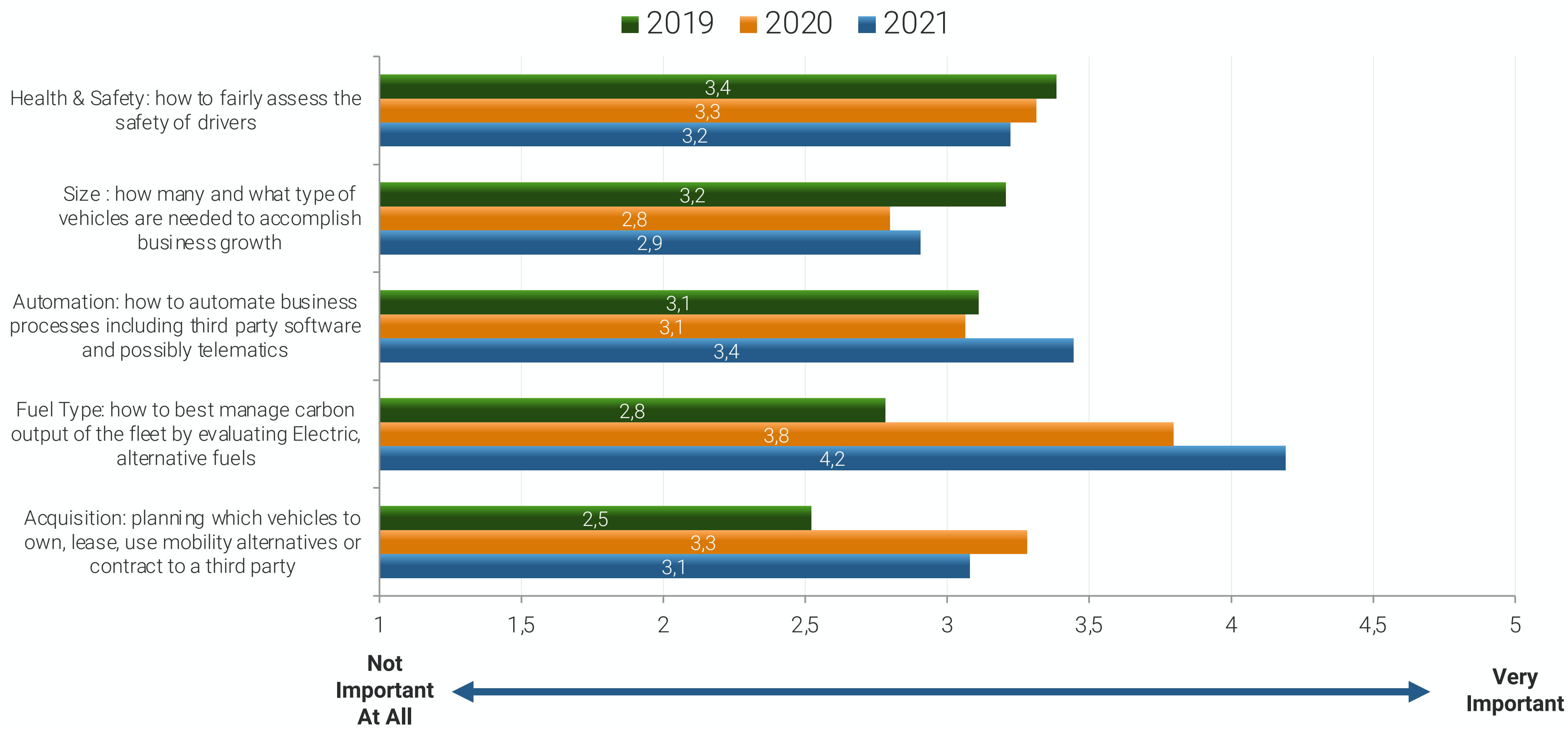
What are the main EXTERNAL obstacles/challenges to manage a fleet globally? The transition from 2019 to 2021.

Companies look at their supply chain to solve problems, which should feed the supply chain's product and service offering and determine the R&D expenditure to achieve growth. The corporate Fleet Manager is slightly less concerned about information (1.5 in the 2020 Survey), but more on the lookout for suppliers that can assist in delivering centralization (1.5 in the 2020 Survey).



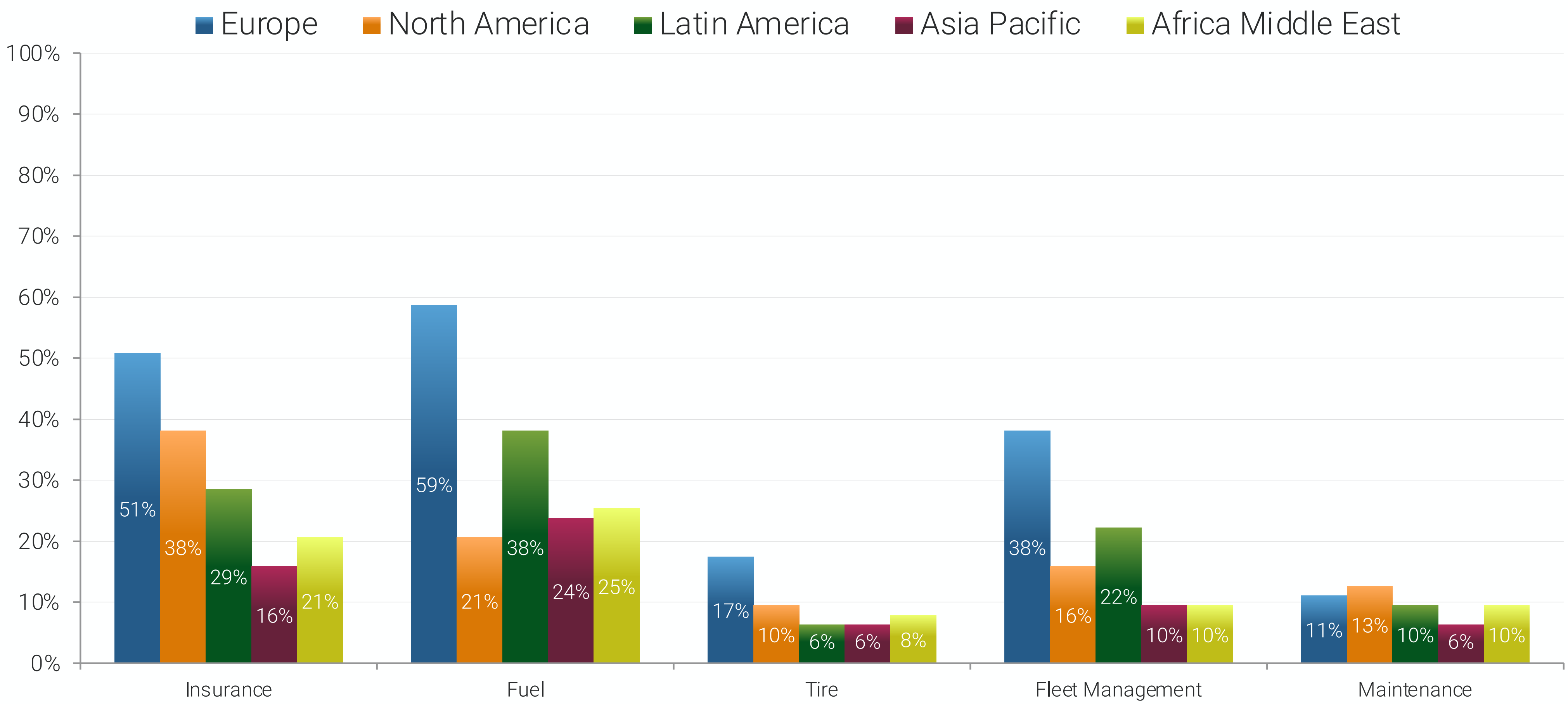
What are the most important fleet management aspects you need to solve? The transition from 2019 to 2021.

Technology is taking over. Automation and digitalization together with the shift towards EV's have only increased in importance for Fleet Managers in 2021. While "typical" fleet management tasks, like acquisition and fleet size management are overtaken.



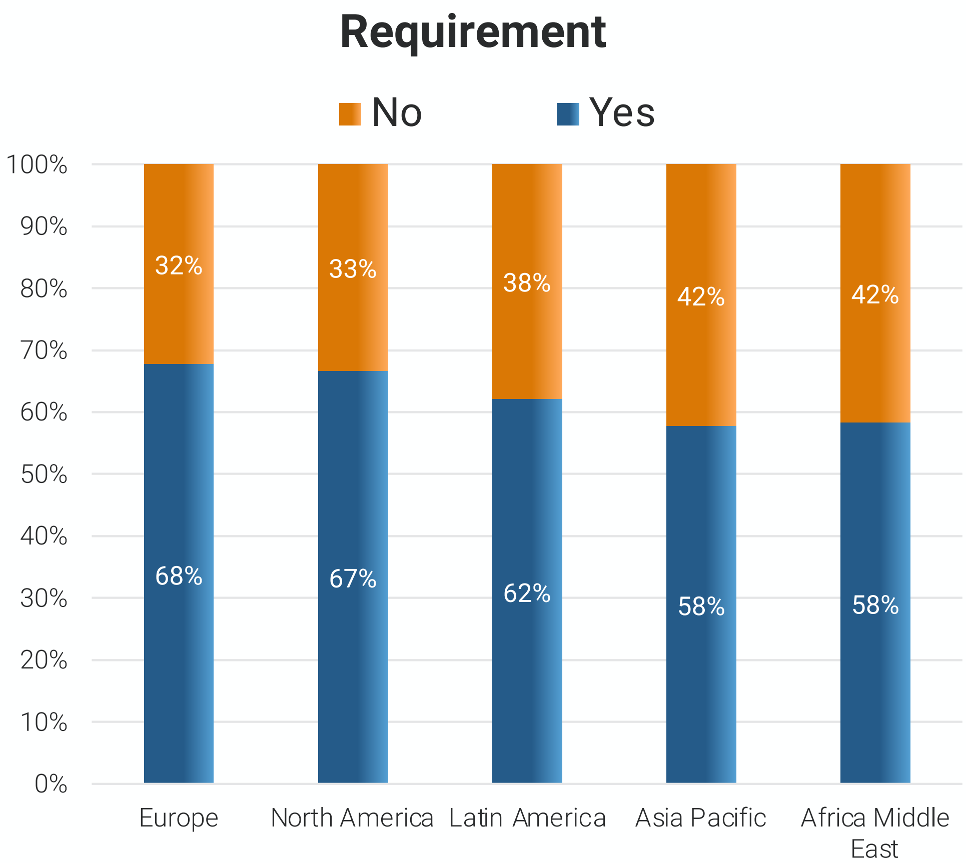
Did you unbundle services from your leasing contract?

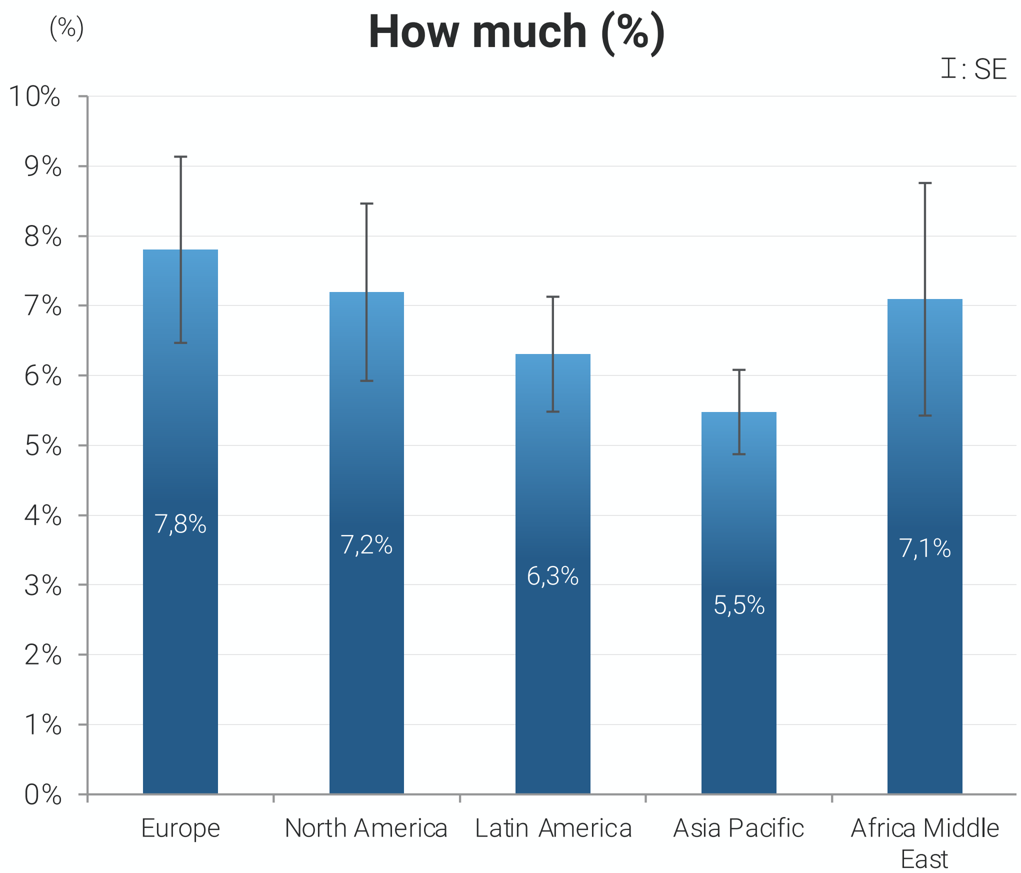
Amongst the services, unbundled or to unbundle, insurance and fuel continue to lead the game, be it much less than in 2020. Fleet management in Europe however is more than ever on the list (32% in the 2020 Survey). Unbundling typically delivers cost savings, but also increases complexity; the balance seems to have shifted from savings potential to operational efficiency.



Do you have a requirement to generate annual savings on your fleet? If so, how much?

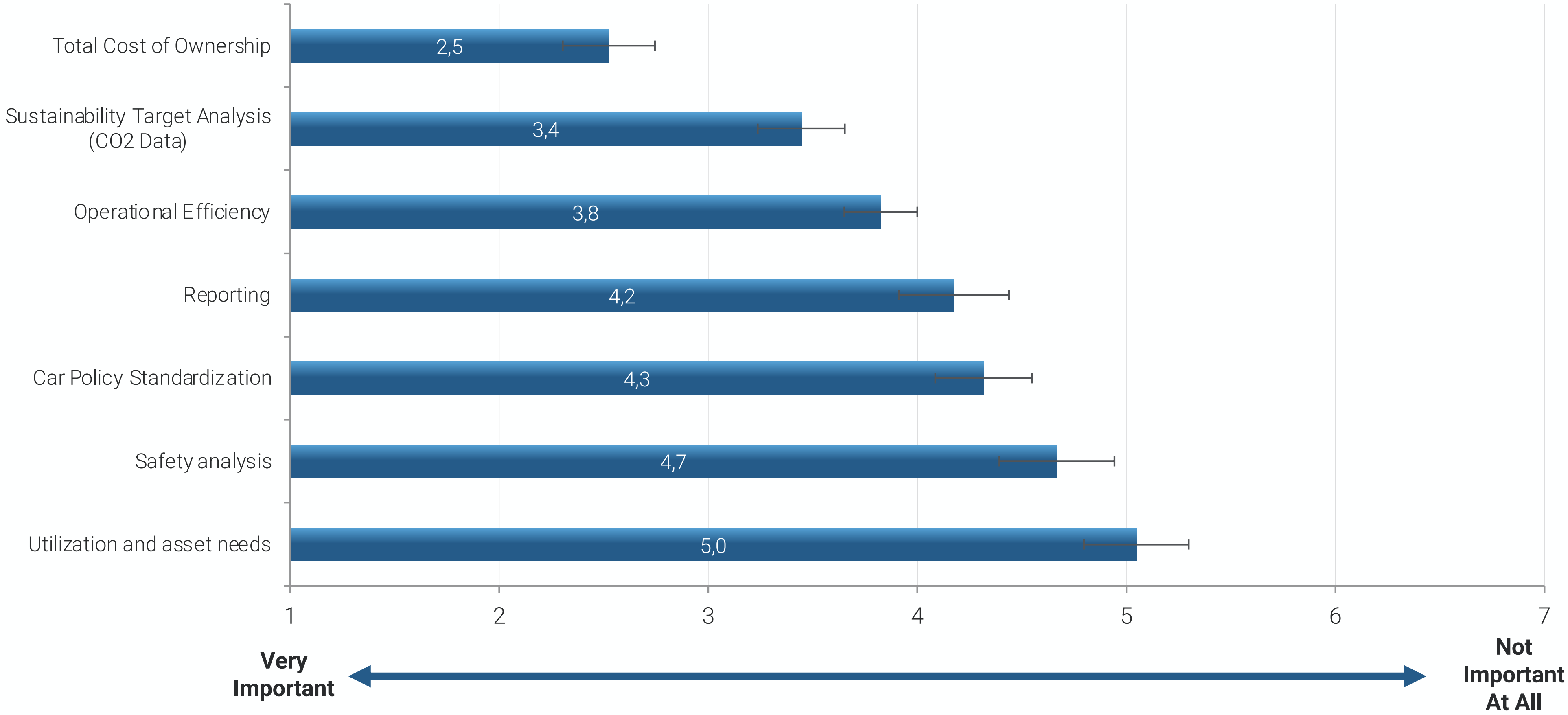
Savings are always on the agenda, but the importance of delivering as well as the amount expected to save has decreased compared to 2020. The explanation resides in the decrease of fleet sizes, but also because there might be bigger objectives at stake than savings.





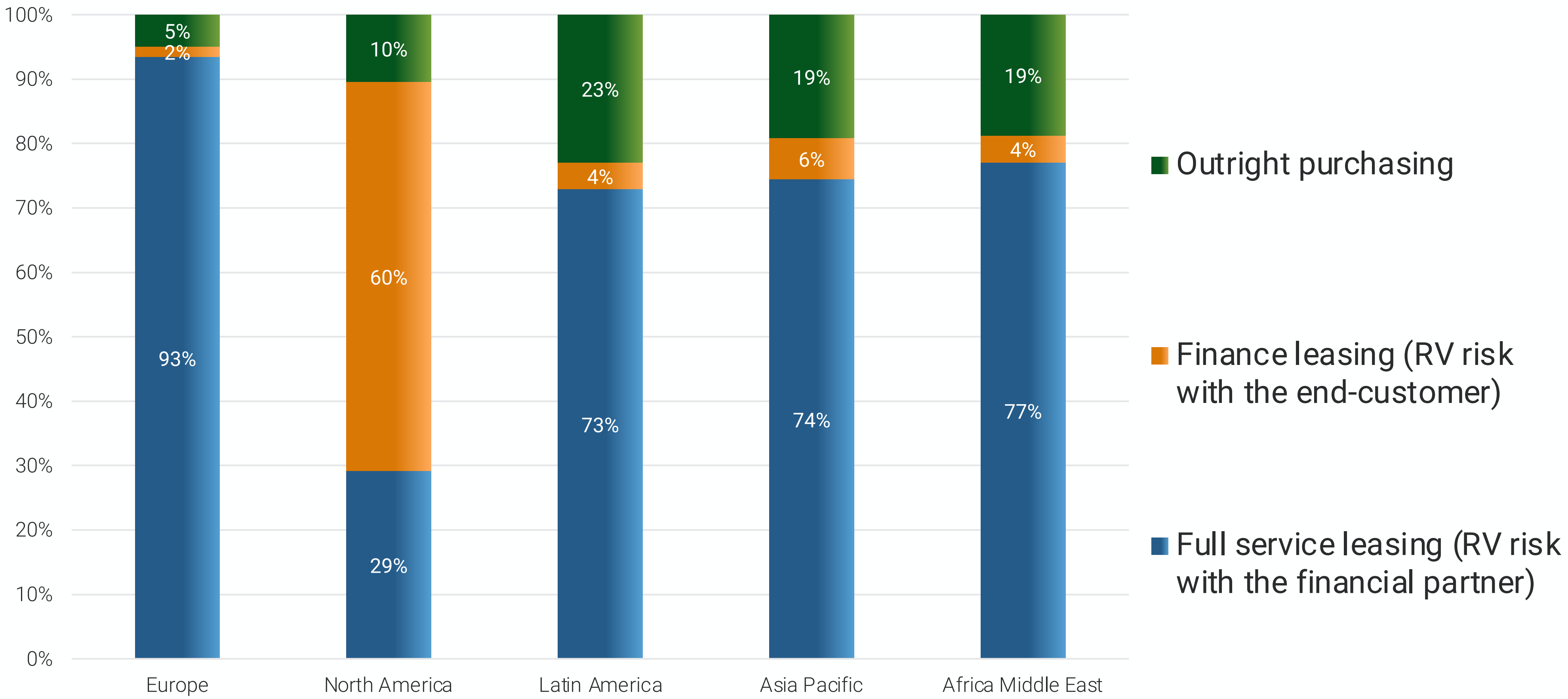
Please rank the items below on why global data consolidation is important?

Fleet utilization is now formally recognized as the prime reason for data consolidation; these data are required to accelerate electrification and mobility and, ultimately, drive safety, sustainability and savings. In the response set to the question, the Survey participants have mixed strategies (e.g., sustainability) and enablers (e.g., policy), which indicates that global strategies are not set for all fleets, and most likely still in design phase. This is especially true for sustainability, which is already a top priority for larger fleets, whilst much less so for smaller fleets.



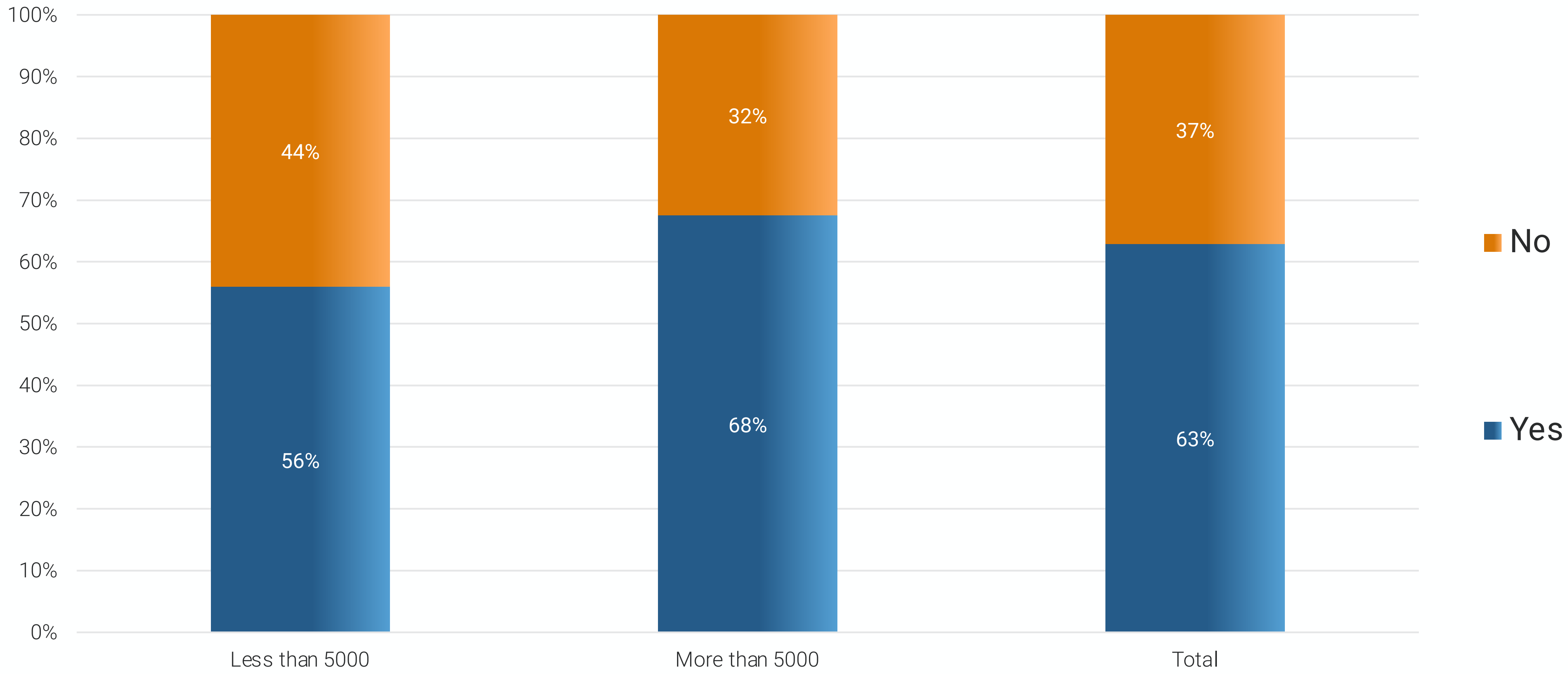
What is your preferred vehicle fleet finance solution?

Unsurprisingly, operating lease remains the preferred finance solution in Europe. Compared to 2020 however, it is now also the desired acquisition model in Latin America, Asia Pacific and Africa Middle East. It ties in with the companies' desire for data transparency and operational efficiency, as operating lease is typically associated with these benefits.



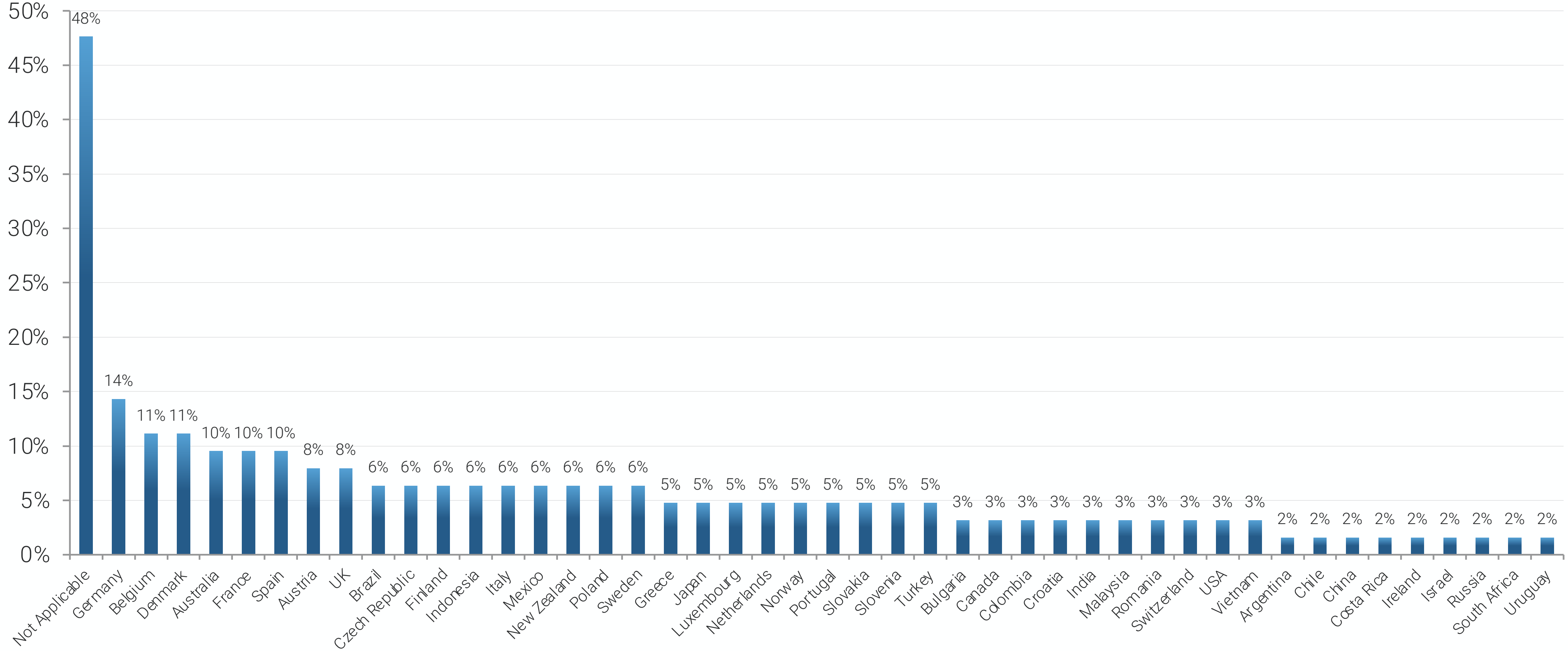
Does your strategy allow you to work with local leasing companies? The fleet size comparison.

In order to guarantee financing solutions even in the most remote regions across the world, the use of local leasing companies remains an absolute requirement. Almost 70% of larger global fleets allow their local counterparts to work with suppliers outside of a global agreement.



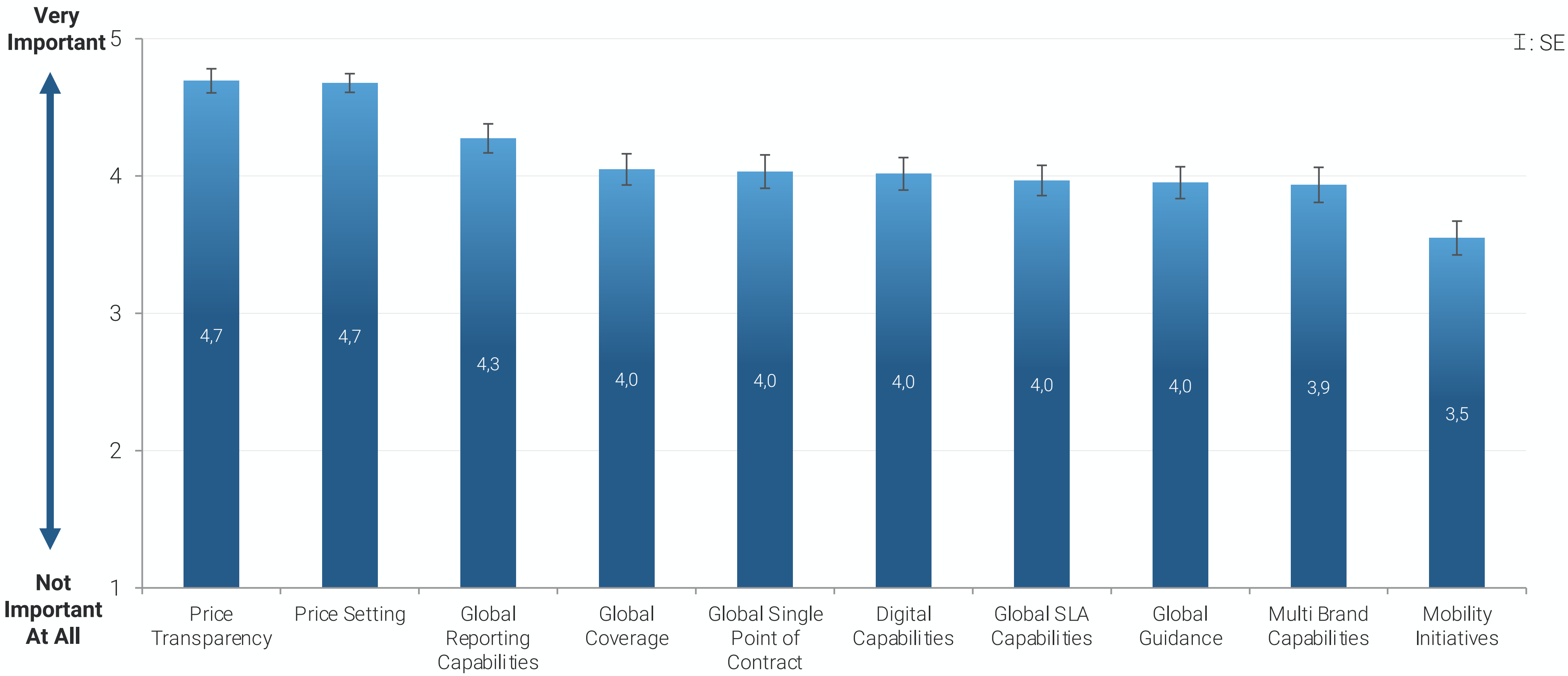
In which countries do you want to change your leasing partner?

According to the Survey, at any given time, roughly half of its participants are on the outlook for a new lease vendor. The top 10 countries in which this is the case, have consistently been the same, although the order of urgency varies year after year. Nonetheless, Germany, Belgium and France are recurrent top 5 countries. If the desire for change has anything to do with performance or pricing, the Dutch vendors have performed well in 2020, as only 5% of the Survey participants has a desire to change their supply chain, versus 13% in 2020.



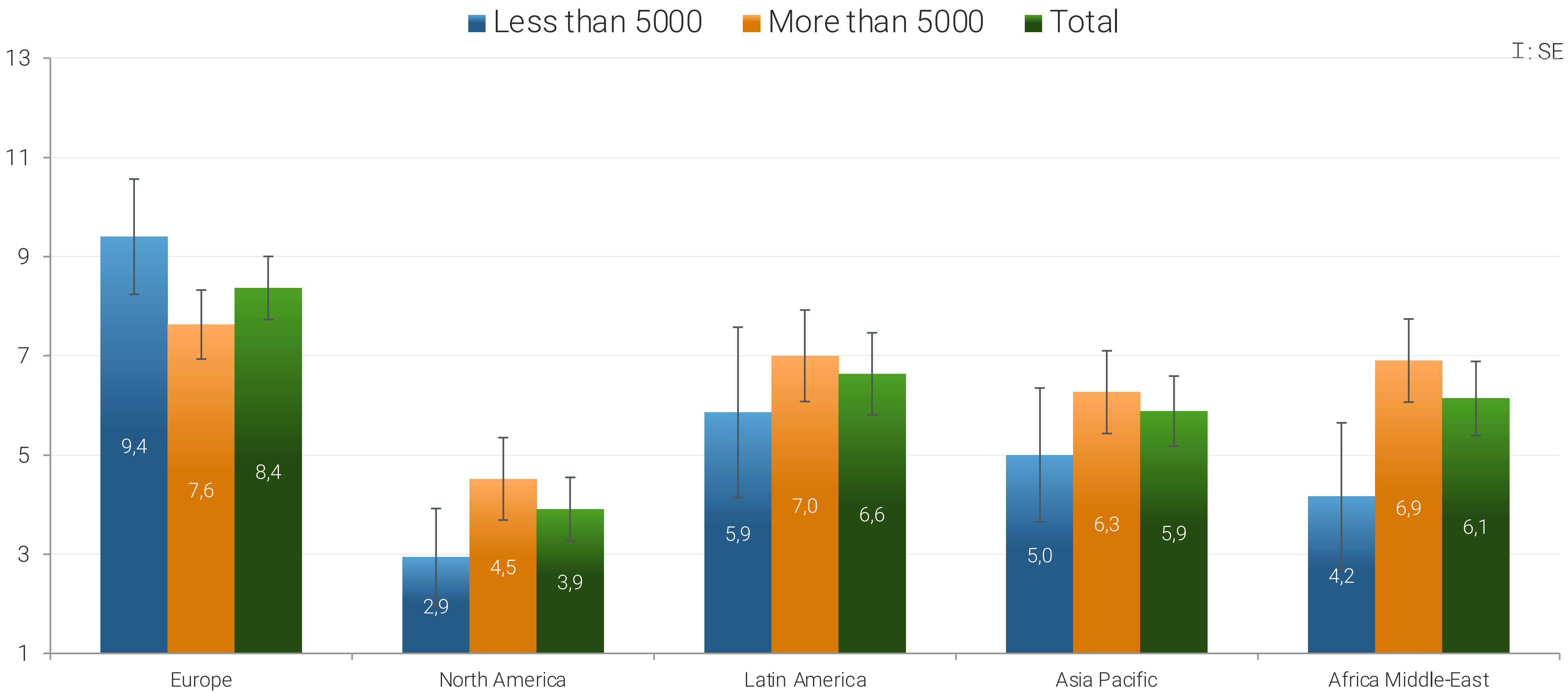
What are the main criteria to select your leasing partner?

Price and centralization capabilities are the main reasons for selecting a vendor, although the ratio between both elements is changing: globalization has become more essential than was the case in 2020. This is an important indicator for the lease sector, as their capacity to harmonise and consolidate data is now virtually as important as their price setting. To be noted as well, the steep rise of companies' interest in mobility is slowing down.



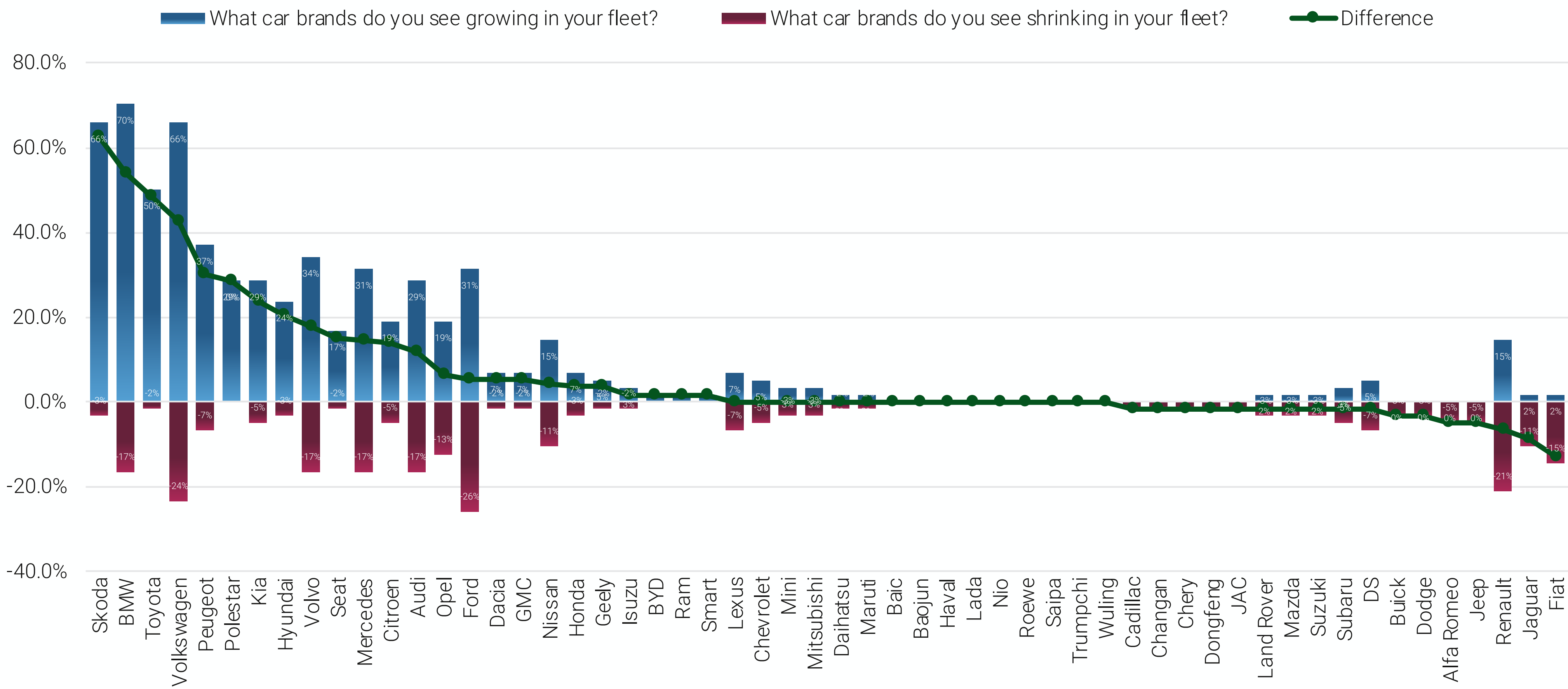
With how many car brands do you work? The fleet size comparison.

Employees in Europe have the most choice of brands and North American fleets have consolidated OEMs as much as possible, which confirms a long-standing understanding of both regions from a fleet perspective. In the other regions however, consolidation of brands is an ongoing effort, and the first results are being booked. It confirms that these regions are on the agenda.



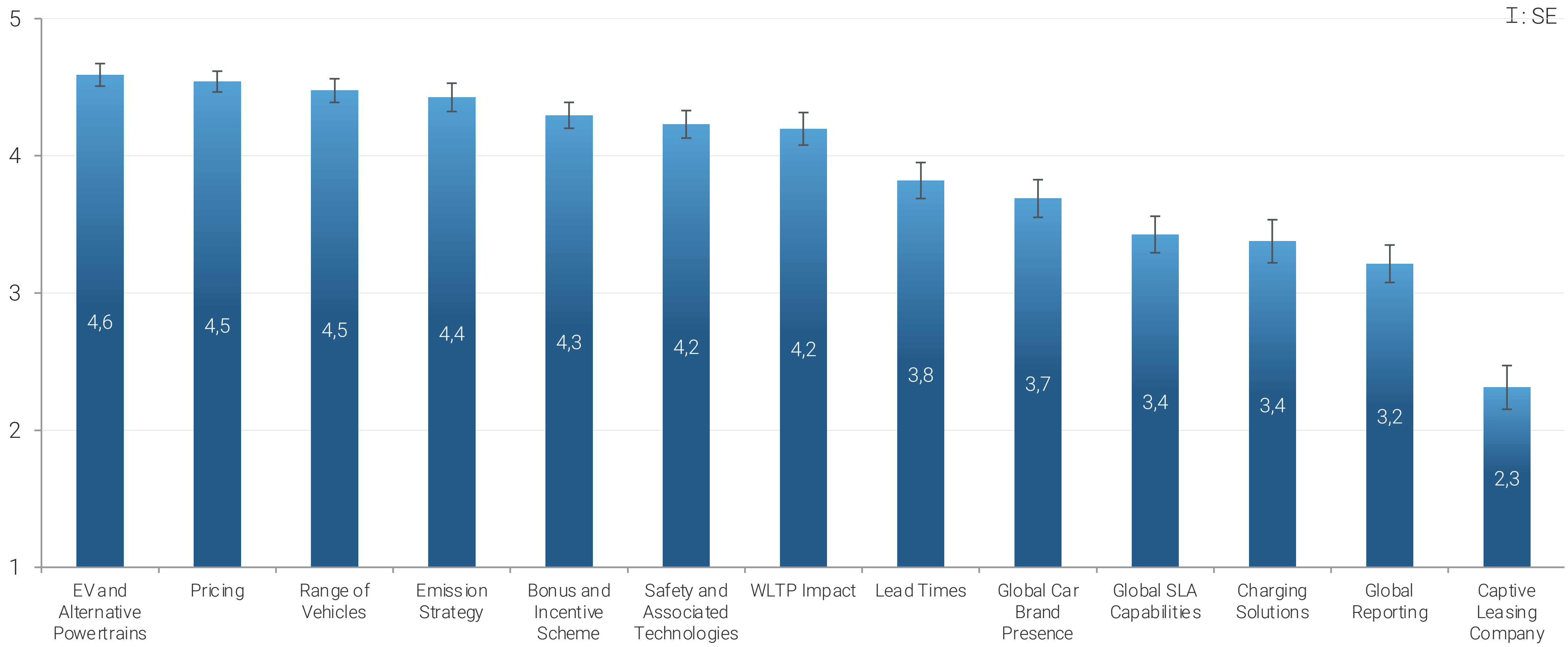
What car brands do you see growing in your fleet?

Skoda, BMW and Toyota are leading the pack when it comes to growth in the coming year. More then 50% of the respondents have indicated that they expect an increase in their fleet. On the other side of the spectrum, we see brands like Renault, Jaguar and Fiat, who will need to step up their game to continue to play their role as part of the preferred brands for global fleets.



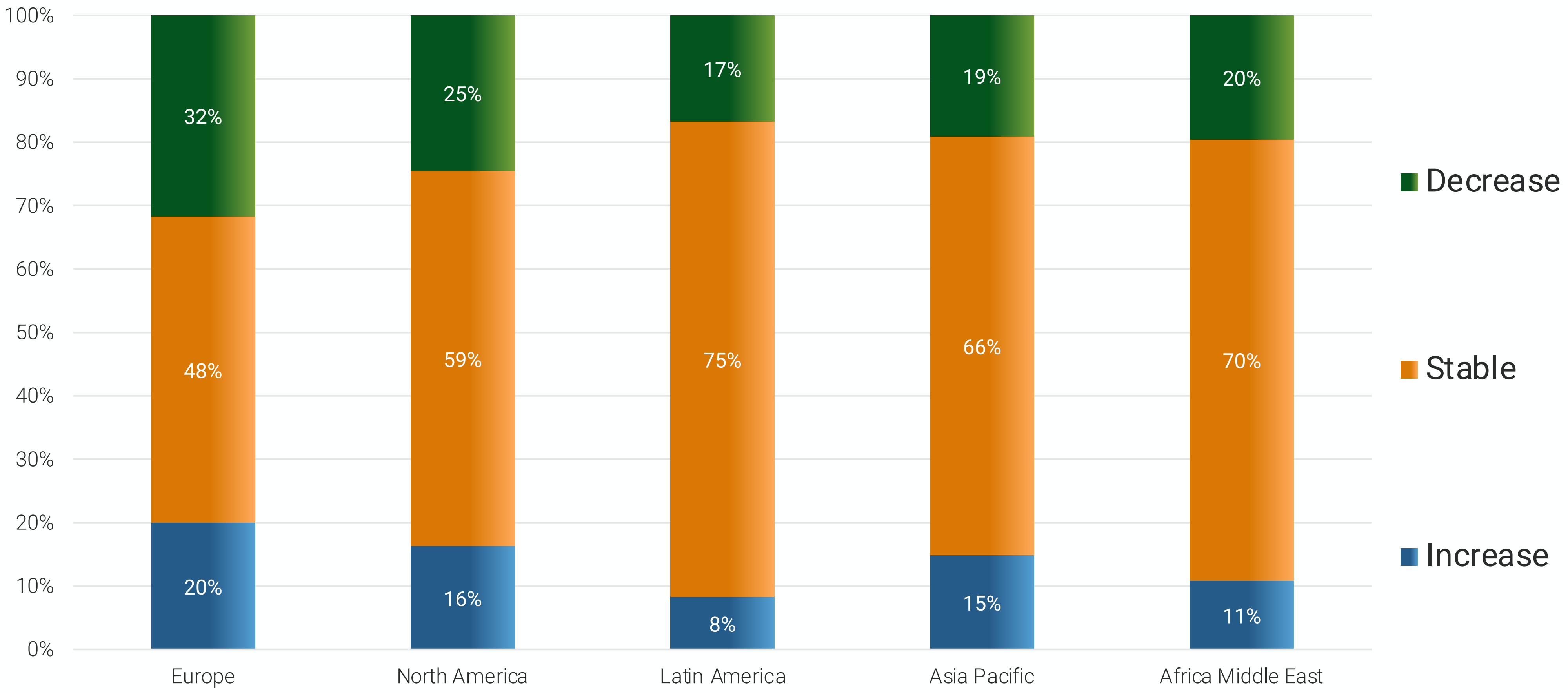
Which criteria do you look at when selecting a car brand?

Electrification has now formally become the main reason for corporate Fleet Managers to select an OEM. In the 2020 Survey, EV and alternative powertrains was only the 5th reason for OEM shortlisting. Lead times as well have become more important, especially due to post-pandemic contract extensions and chip shortage.



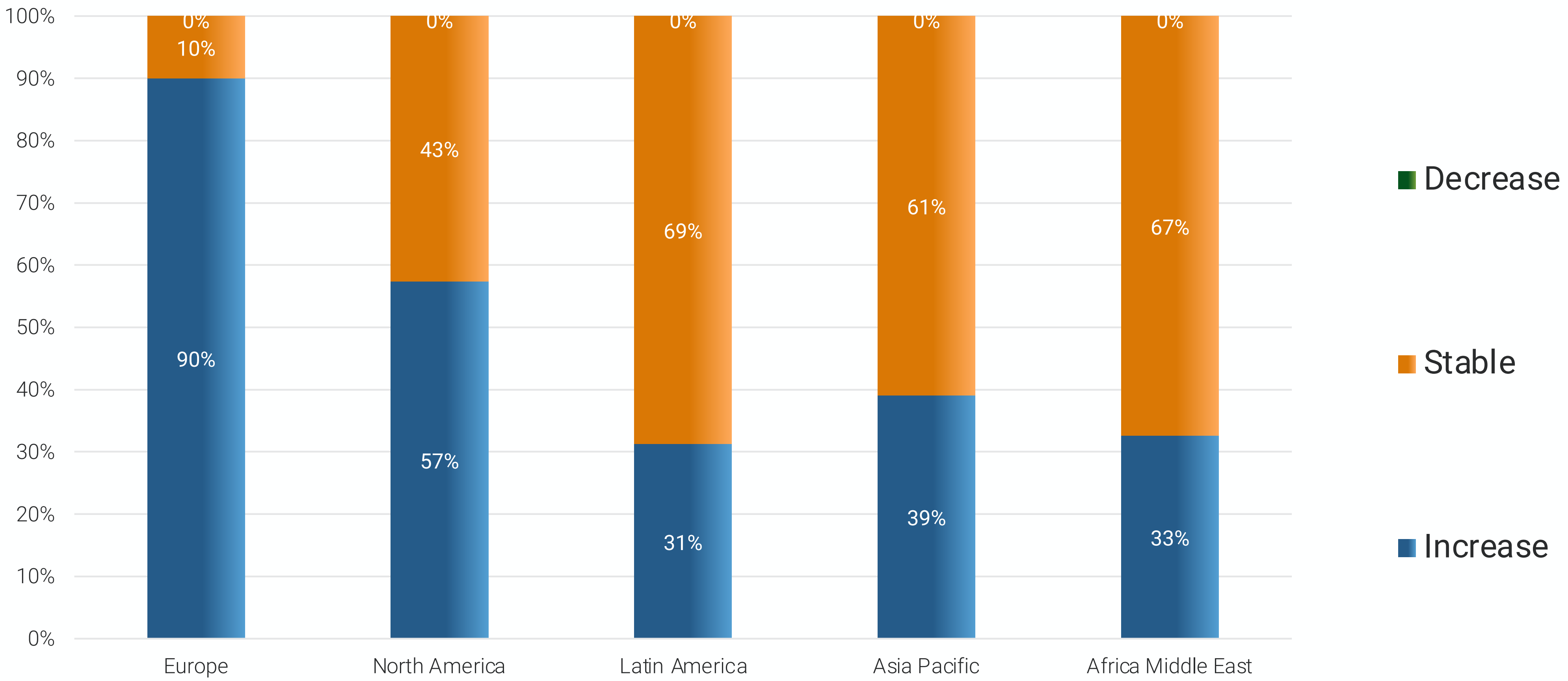
How will your fleet size evolve by the end of 2021?

European fleets are set to decrease in size, whereas the North American fleet sizes will most likely increase. It reflects different underlaying reasons; the US economy is growing, which impacts directly the need for tool of trade cars. The EU fleets however are confronted with tax increases, environmental imperatives and new workforces looking for innovation in benefit strategies.



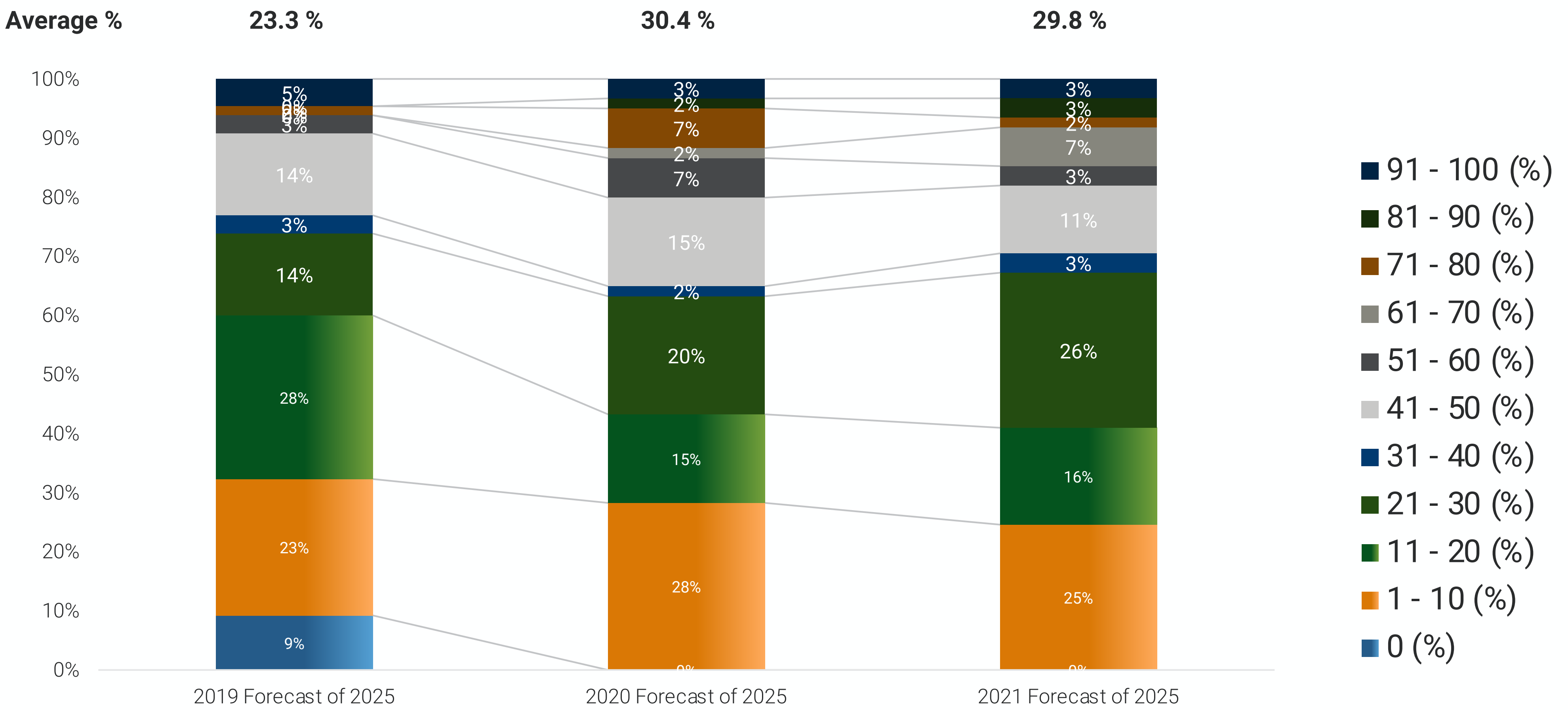
How will the number of full electric vehicles evolve by the end of 2021?

Without a doubt the response that is the most representative of the 2020 versus 2021 trend: electrification is the main trend in fleet management. Its significance is underlined by an increase of EV preference outside of Europe, as the percentages have risen globally.



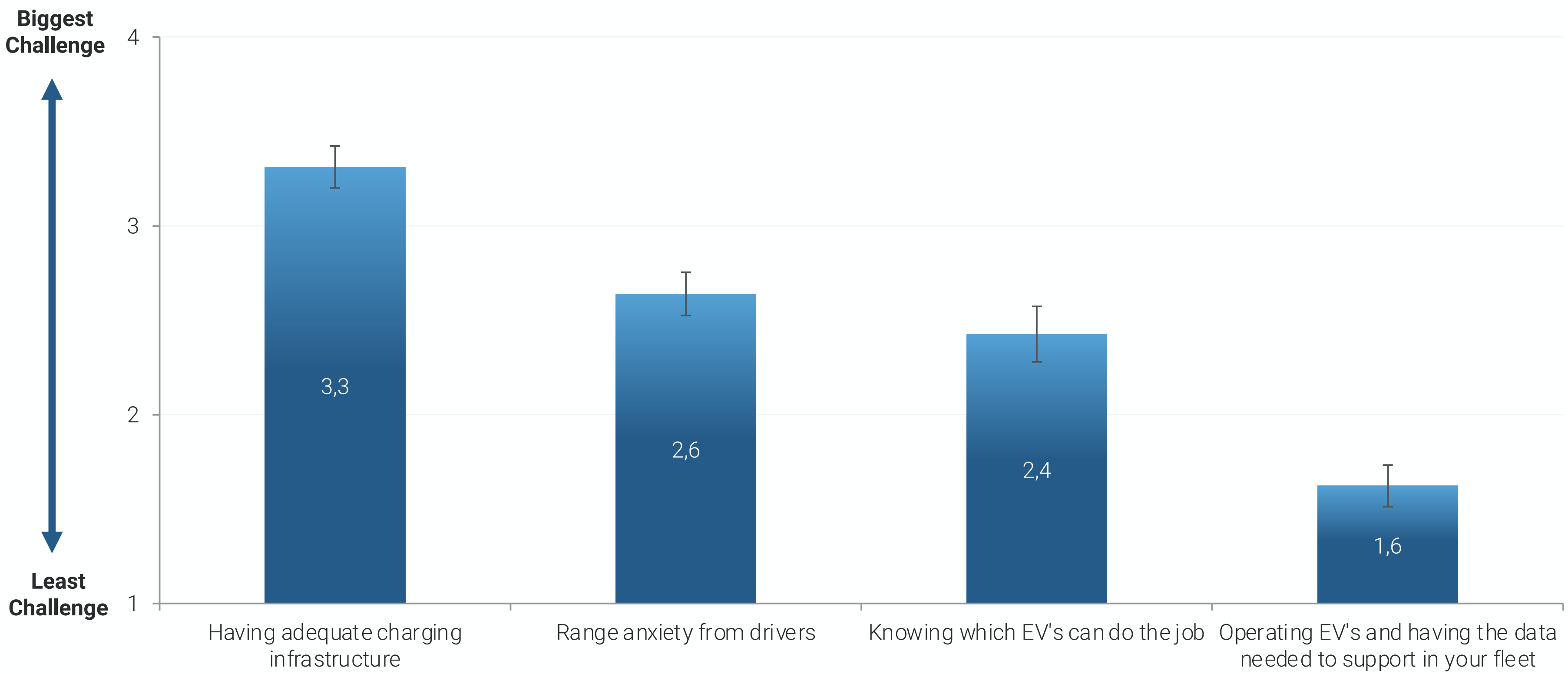
What is the share of full electric vehicles in your total fleet today and will be by 2025?

In 2019, 60% of the surveyed Fleet Managers expected the penetration of EVs in their fleets to be 20% or below. In 2021, only 41% of the Fleet Managers projects a similar penetration. The top range (over 70% of EV penetration) has however decreased slightly from 2020 (12% to 10%), but this takes into account a projected decrease of fleet size in Europe.



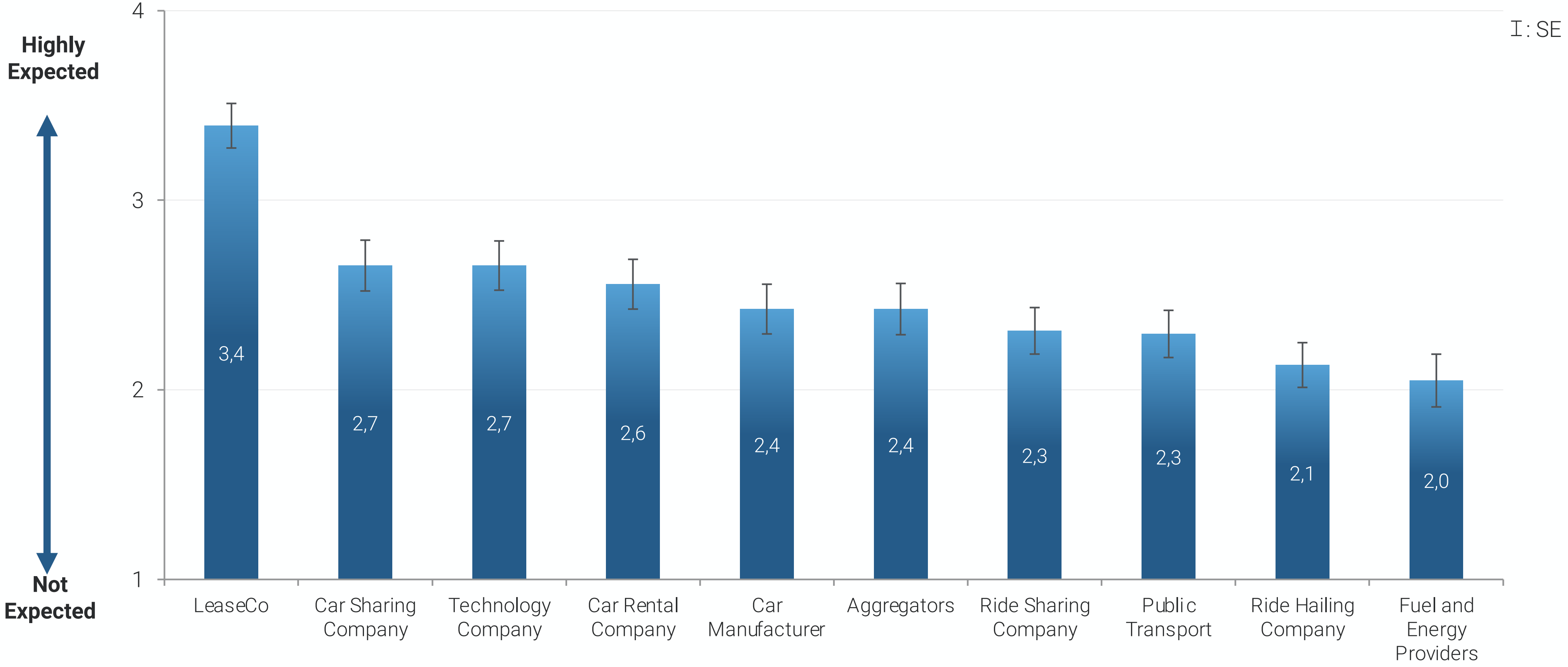
What will be your biggest challenge in adopting Electric Vehicles in your fleet in the next 12-18 months?

Charging infrastructure remains the biggest challenge for EV implementation; range anxiety is slowly disappearing as more employees are educated about electrification and better vehicles become available. ris nisi ut aliquip ex ea commodo consequat. Duis aute irure dolor in reprehenderit in voluptate velit esse cillum dolore eu fugiat nulla pariatur. Excepteur sint occaecat cupidatat non proident, sunt in culpa qui officia deserunt mollit anim id est laborum.



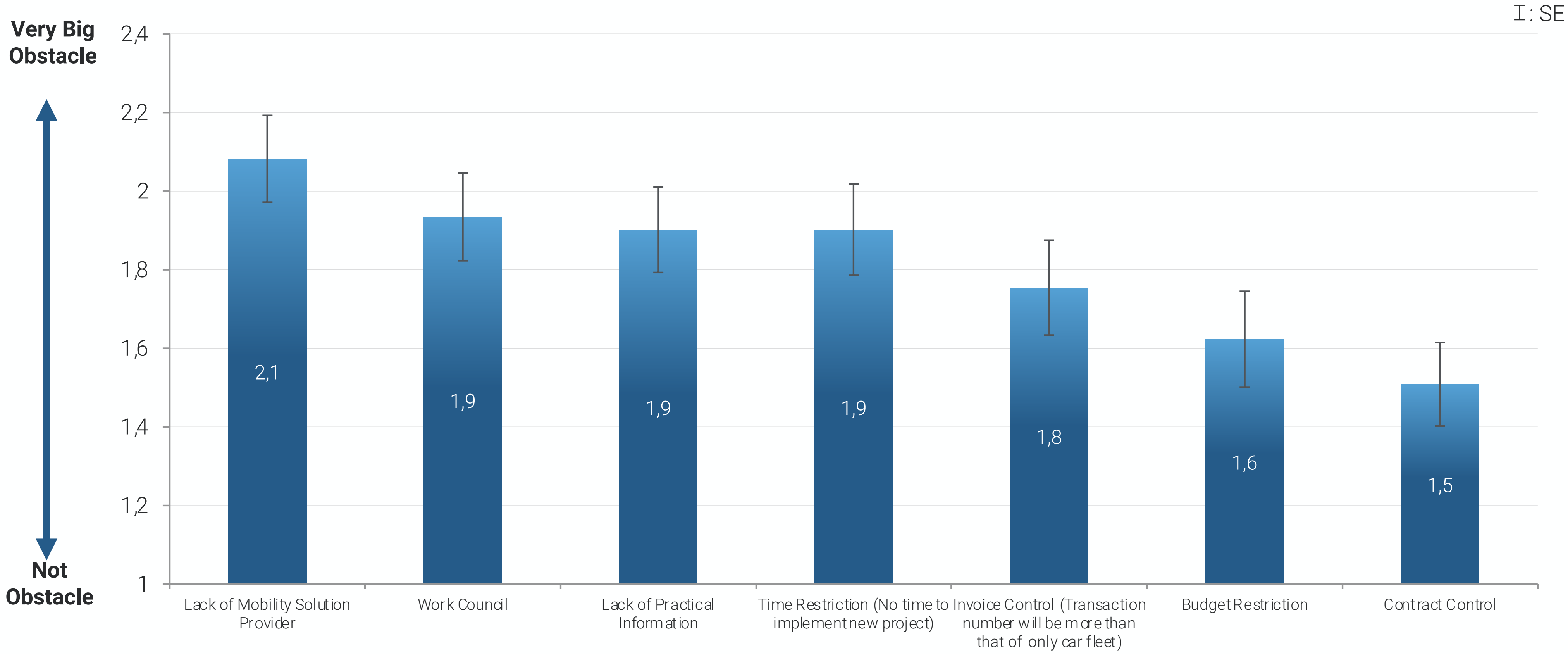
From which supplier do you expect corporate mobility solutions to be offered?

Most Fleet Managers continue expecting their leasing supply chain to deliver mobility solutions, which can be explained by the desire for a compact supply chain. Nonetheless, the Survey respondents are more than before including technology companies to deliver mobility solutions (6th place in the 2020 Survey versus 3rd place in the 2021 Survey), indicating a better understanding of the mobility ecosystem.



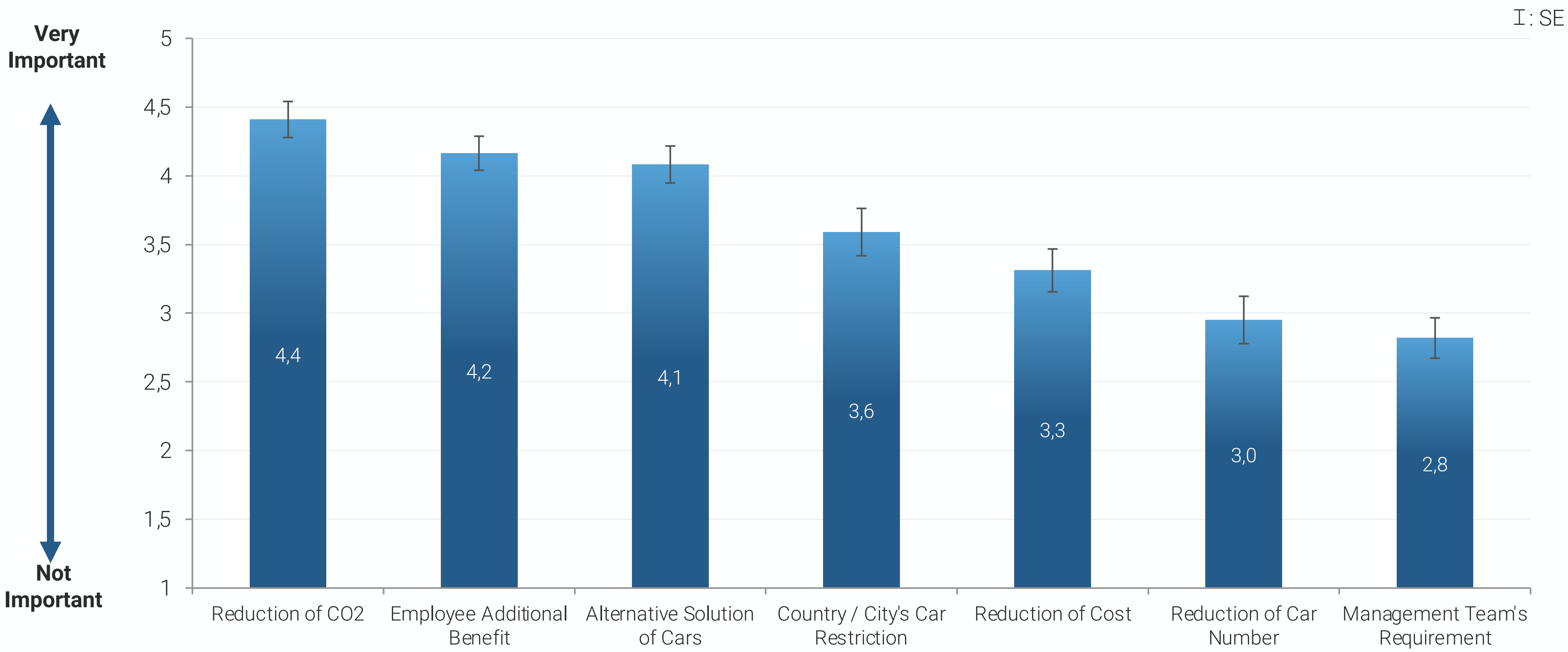
What are the main obstacles/challenges for implementing mobility solutions?

An immature and local mobility supply chain is identified as the main obstacle for implementing mobility. Works councils are listed as the second main obstacle, which implies that companies have been testing the concept. The lack of information is unfortunately even bigger than reported in the 2020 Survey (1.8 in 2020 versus 1.9 in 2021), which implies that the appearance of complexity has increased.



What are the main reasons to introduce mobility solutions?

Even more than before, mobility is looked at as a model to reduce emissions, whilst the employee benefit aspect remains the second reason. Surprisingly, mobility as an alternative solution to cars, takes third place; it implies that mobility suffers from high expectations, that cannot be delivered by the supply chain.



You'd better go Glocal also in the future

Deepdiving into the results of the Global Fleet Survey 2021 it becomes clear that a future-proof global fleet strategy is built on Sustainability and where possible extended with Mobility as a Benefit. Two trends that have not been blocked by COVID-19 but rather accelerated.

In line with these trends, global fleet managers – who today belong mainly to Fleet and Procurement categories – will see an increasing decision taking influence by HR and Facilities.

Looking back at the previous 10 years, when we first launched this benchmark Survey, one thing has not changed and will not change. To successfully roll-out and implement the global guidelines and international strategy across the different regions it's critical to adapt the global vision to regional market best practices and local market reality. Indeed, also in 2022 and beyond the right global fleet strategy is translated into a 'Glocal' approach.

About the authors

Global Fleet is the leading business-to-business media platform for global and regional corporate fleet leaders. The print and digital publications provide essential information, market analyses, and best practices that help international fleet decision makers and executives make strategic and tactical management decisions.

In addition, the Global Fleet events and conferences gather cross-functional stakeholders in fleet management to learn, to network and to get inspired.

For more information, please visit
www.globalfleet.com

Want to know more?

Download the full Global Fleet Survey 2021 results here.

References

The information in this E-Book was gathered via an online questionnaire.
If you are interested in learning more about the results, the full version is accessible here.

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