



Project: Parking Control and Management System Market

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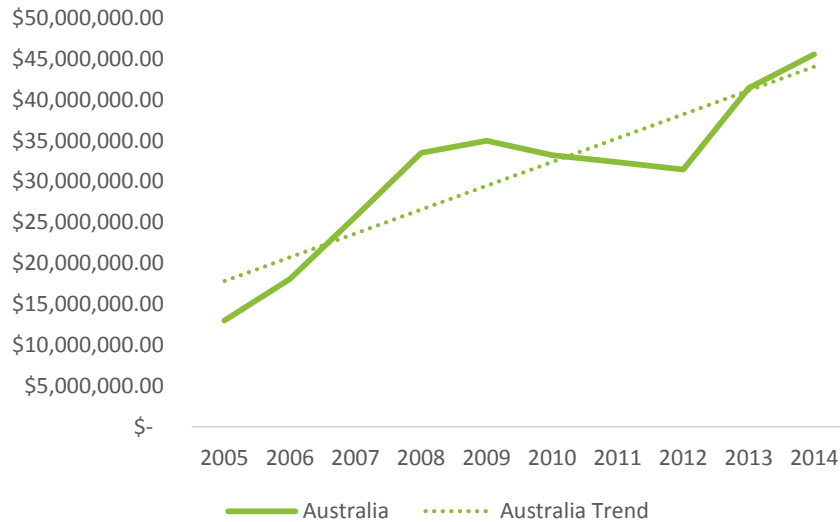
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Reciprocus is delighted to present to you our initial views on potential growth of parking control and management system in both APAC and EMEA market

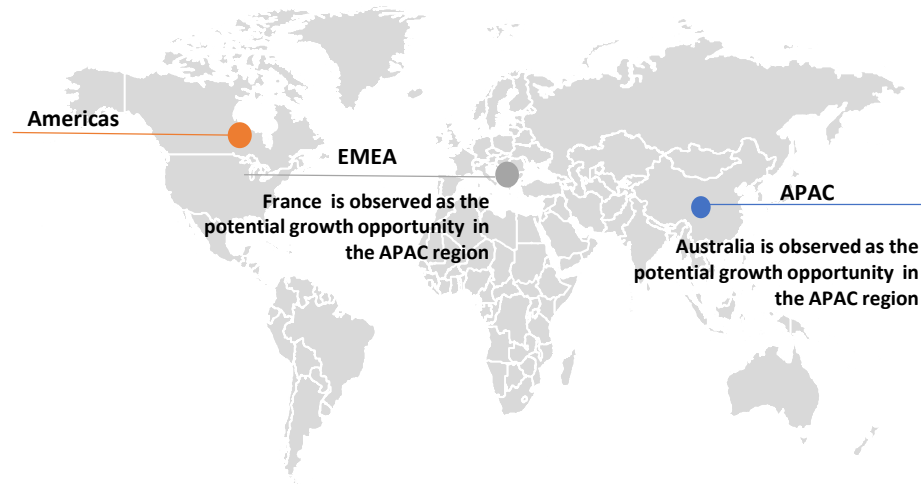
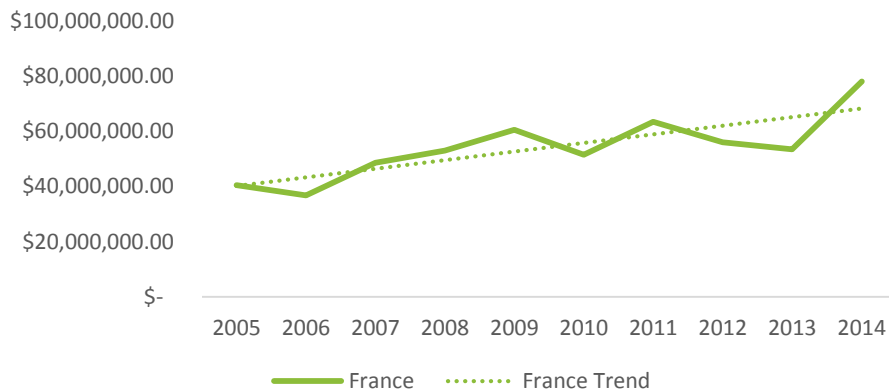
- Our indicative view is predicted on publicly available information and our knowledge of parking control and management system.
- Our high-level research has identified a sustained and substantial overall demand from both APAC and EMEA regions for parking control.
- We have identified two potential growth opportunities across our observation – mainly Australia and France.
- In Australia, we noted that although the base amount is low, there appears to be a stable growth in the demand for traffic equipment, particularly with CBD areas. The greatest opportunity appears to be in value-adding and replacing existing car park infrastructure rather than banking on organic growth in absolute car park spaces.
- On contrary, the growth in French imports of traffic equipment appears to be less drastic than Australia, although we note that the raw trade figures are higher.
- This is because regulatory risk is a substantial consideration in the European car park supply market, where reduction in supply of car park spaces are expected across the bloc.
- In addition, car sharing plays an increasingly important part in traveling around the city supported by local governments and private enterprises.
- Overall global car park supply is shrinking due to environmental and societal concerns. Growth in car park supply is likely to remain limited and perhaps even turn negative in long term.
- Granted that, we see the greatest opportunity lies in capturing existing car park supply instead of relying on raw overall growth
- Technological advancement will be the key differentiator among the competitors in the developed market.

Regional Landscape and Analysis – ASEAN & EMEA

Imports of Traffic Control Equipment into Australia (FY2005 – FY2014, US\$)



Imports of Traffic Control Equipment into France (FY2005 – FY2014, US\$)



Australia



- Population: 24.12 million
- Total GDP (2015): US\$ 1.28 trillion
- Traffic Equipment Imports (2014): US\$ 45.5 million
- 10-Year CAGR: **13.36%** y.o.y from 2005 to 2014
- Parking Supply: 160,086 across all CBDs and Canberra



France

- Population: 66.71 million
- Total GDP (2015): US\$ 2.42 trillion
- Traffic Equipment Imports (2014): US\$ 77.9 million
- 10-Year CAGR: **6.79%** y.o.y from 2005 to 2014
- Parking Supply: 2,704,568 (1,676,318 off-street and 1,082,250 on-street)



Why Australia?

1. **Technology continues to drive parking:** In a 2016 survey conducted amongst **Australian** parking providers, the vast majority had or were planning to introduce new technologies in the next 12 months. Just under half of these new technologies were smartphone apps or other online parking solutions, with another 10% involving License Plate Recognition (LPR) technology and 5% introducing contactless payments.
2. **Rise in 'Smart City' living:** The **Australian** government recently released its 'Smart City Plan 2016' committing \$50 million and the establishment of an Infrastructure Financing Unit to restructure its urban environments. This shift is expected to generate substantial demand for 'intelligent' parking management solutions that combine end-user convenience with automation and analytics capabilities for car park owners.
3. **Continued squeeze on car park lots:** In line with the theme of going green, local **Australian** governments have curtailed growth in car parking spaces within CBDs. Average car park space growth across all CBDs including Sydney and Perth fell to 2.1% across 2013 to 2015. This suggests that the greatest opportunity might reside in existing car parks than in organic demand growth.



Why France?

1. **Digitization:** Similar to Australia, parking systems across Europe are being increasingly developed with end-user convenience in mind. Electronic payment systems feature heavily in **France**, as are digitized enforcement methods based on number plate recognition. Furthermore, potentially disruptive applications such as Parkadom and Zenpark in France allow users to rent out private garage space to other users: posing both challenges as well as opportunities for market players.
2. **Diversification of parking spaces:** 50% of major European cities that have been reducing parking spaces are converting them to facilities for pedestrians and two-wheeled vehicles. This trend is expected to accelerate and is one of the primary motivations for car-sharing in European cities. The decrease in car-specific parking spaces might mean that future growth in car park spaces is limited at best.
3. **Local government debt:** **France** has relatively high government debt and this is expected to drive local municipalities toward a focus on revenue generation from parking spaces. Two scenarios may occur. The first predicts that increased parking tariffs will reduce overall demand for car parking while the second expects that increased on-street parking spaces will decrease demand for privately operated off-street parking. Consequently, regulatory impact varies from city to city.

Conclusion:

We have shortlisted Australia and France as our key potential opportunities, which, in our opinions, generally fits company's business strategy. We are open to exploring other markets in both APAC and EMEA regions as well.



About Reciprocus

We specialize in assisting small and medium-sized businesses with expansion into overseas markets:

- Selecting and Structuring Route to Entry;
- Mergers, Acquisitions, Joint Ventures;
- Distributorships, Franchising and Licensing;
- Capital Raising.

For more information about our practice, visit our website at: www.reciprocus.com.



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Market Readiness Assistance Grant: Market assessment, market entry and business matching activities.

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More information available at:
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