

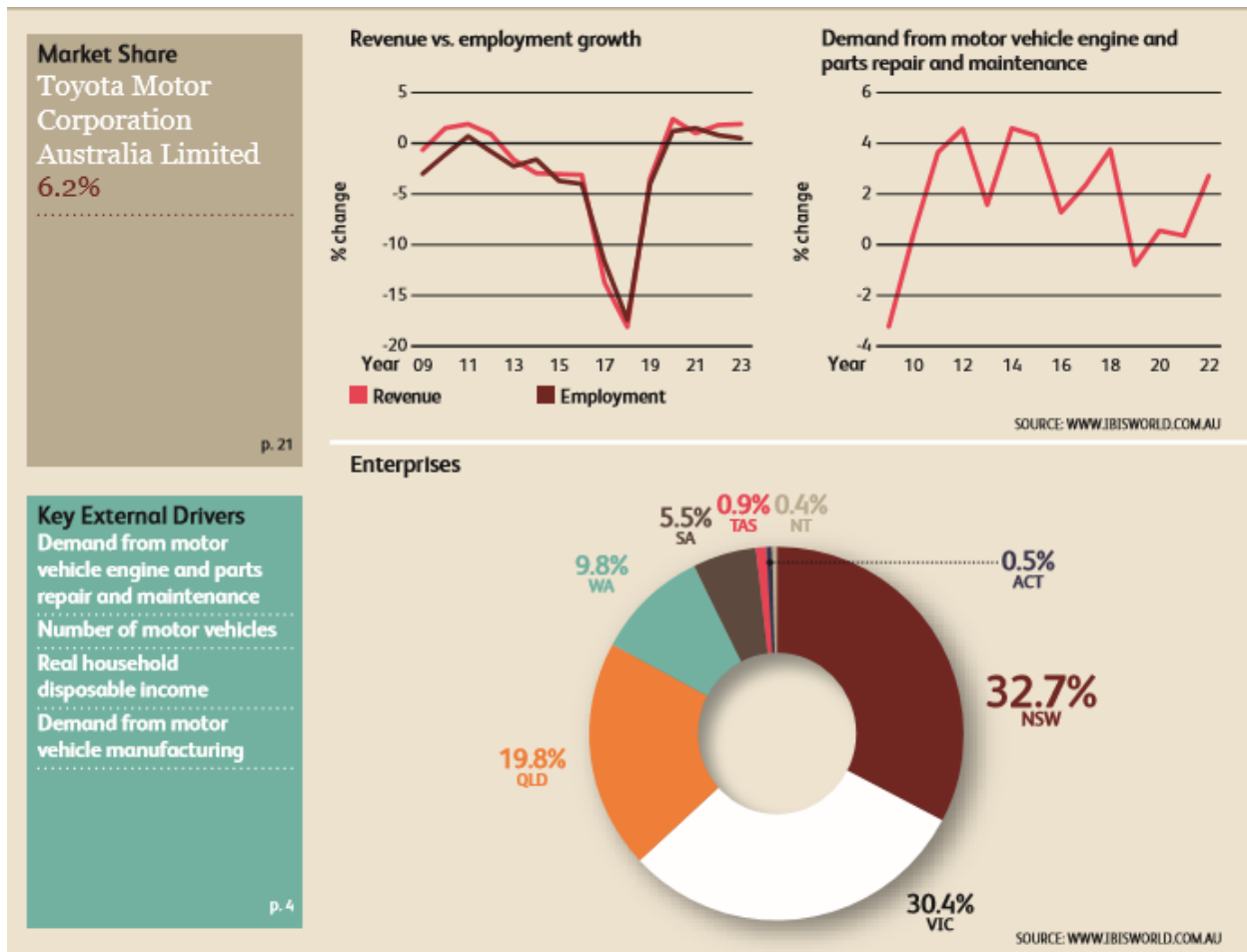
## 2016-17 Industry snapshot: Motor vehicle new parts wholesaling in Australia

### Industry definition

Industry operators are chiefly engaged in wholesaling new motor vehicle and motorcycle parts and accessories (i.e. batteries, car audio systems and motor vehicle and motorcycle tyres). Vehicle manufacturers, part retailers and mechanics are primarily the customers of motor vehicle new parts wholesalers (Source: Wu, T. IBISworld. Jan2017).

<b>Revenue:</b> \$9.8bn	<b>Annual growth 2012-17:</b> -5.0%	<b>Predicted annual growth 2017-22:</b> -3.6%
<b>Profit:</b> \$371.6m	<b>Wages:</b> \$1bn	<b>Businesses:</b> 2,418

(Source: Wu, T. IBISworld. Jan2017)



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## Industry summary

- The motor vehicle new parts wholesaling industry has two major markets: motor vehicle manufacturers and the service parts aftermarket. The decline in activity and the impending closure of Australia's largest local motor vehicle manufacturers (Toyota, Holden and Ford) has significantly reduced demand for new motor vehicle parts.
- The motor vehicle new parts wholesaling industry also faces competition from the automotive wrecking industry.
- Industry revenue is forecast to fall by 13.7% in 2016-17 to \$9.8 billion at an annualised rate of 5%. This is regardless of the growing number of registered Australian vehicles and continued demand for servicing parts that was influenced by some consumers opting not to replace their vehicles when there was an economic down-turn in 2011-12.
- The industry will require strategic change and transformation. Lower demand for original equipment is expected to be partially offset by aftermarket sales, particularly for accessories made for imported vehicles.
- Industry revenue is forecast to fall to \$8.1 billion in 2021-22 at an annualised rate of 3.6%. Due to falling demand and profits, some operators will be forced out of the industry.

Source: Wu, T (Jan 2017). IBISWorld industry report F3504: Motor vehicle new parts wholesaling in Australia.