



2019-20 Industry Snapshot: Tyre Retailing in Australia (Source: IBISworld)

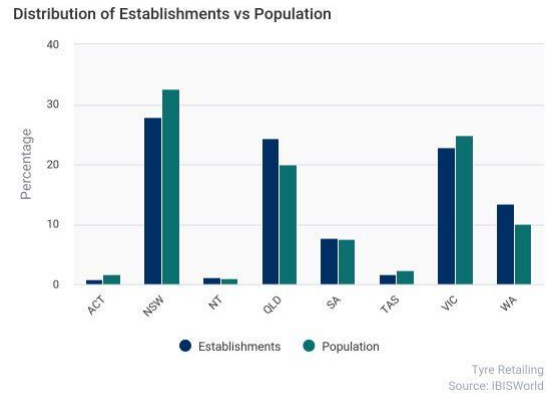
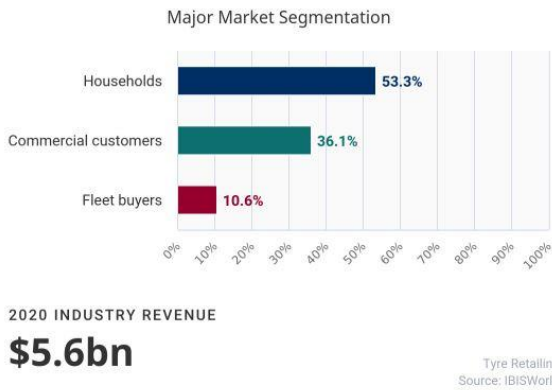
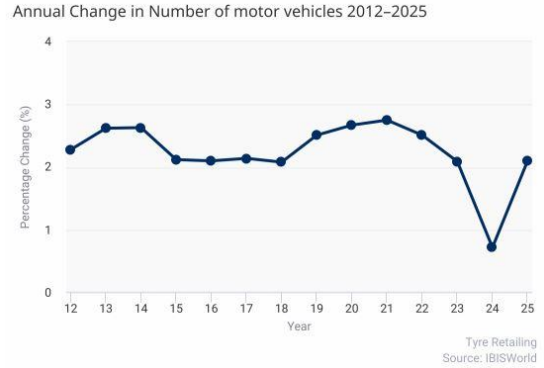
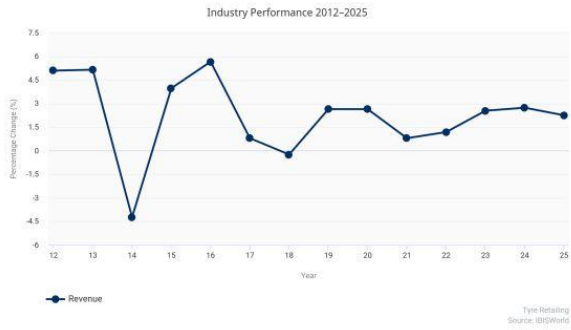


Industry Definition

Tyre retailers sell new and reconditioned tyres (not retreads) for passenger cars, utility vehicles, SUVs, vans, buses, trucks and motorcycles. Tyre retailers can also undertake fitting services such as wheel balances and alignments (Youren, M. IBISworld, Nov 2019).

Total Revenue 2020: +\$5.6bn	Annual Growth 2015-20: +2.3%	Annual Growth 2020-25: +1.9%
Profit Margin 2020: +5.7%	Wages as a share of Revenue: -11.9%	Number of Businesses 2015-2020: +0.1%

(Youren, M. IBISworld, Nov 2019).



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Industry Summary

- Revenue from tyre retailing is growing due to the increasing number of Australian registered vehicles which is expected to continue. However, many car owners are reducing costs by driving less with longer periods between tyre replacements.
- Industry revenue is forecast to rise at an annualized 2.3% over the five years through 2019-20, to \$5.6 billion.
- There is increased choice for consumers with the influx of cheap Chinese made tyres.
- Impacts of fluctuations of the Australian dollar on the price of tyres (particularly imported tyres) have sometimes been passed to consumers which therefore reduces demand.
- Consumers have also benefited from increased price competition within the supply chain.
- Car dealership service centres that provide tyres may prove a threat to industry expansion and future revenue.
- Industry revenue is expected to rise 1.9% annually over the five years through 2024-25, to reach \$6.2 billion.

Source: Youren, M (Nov 2019). IBISWorld industry report G3922: Tyre Retailing in Australia.