

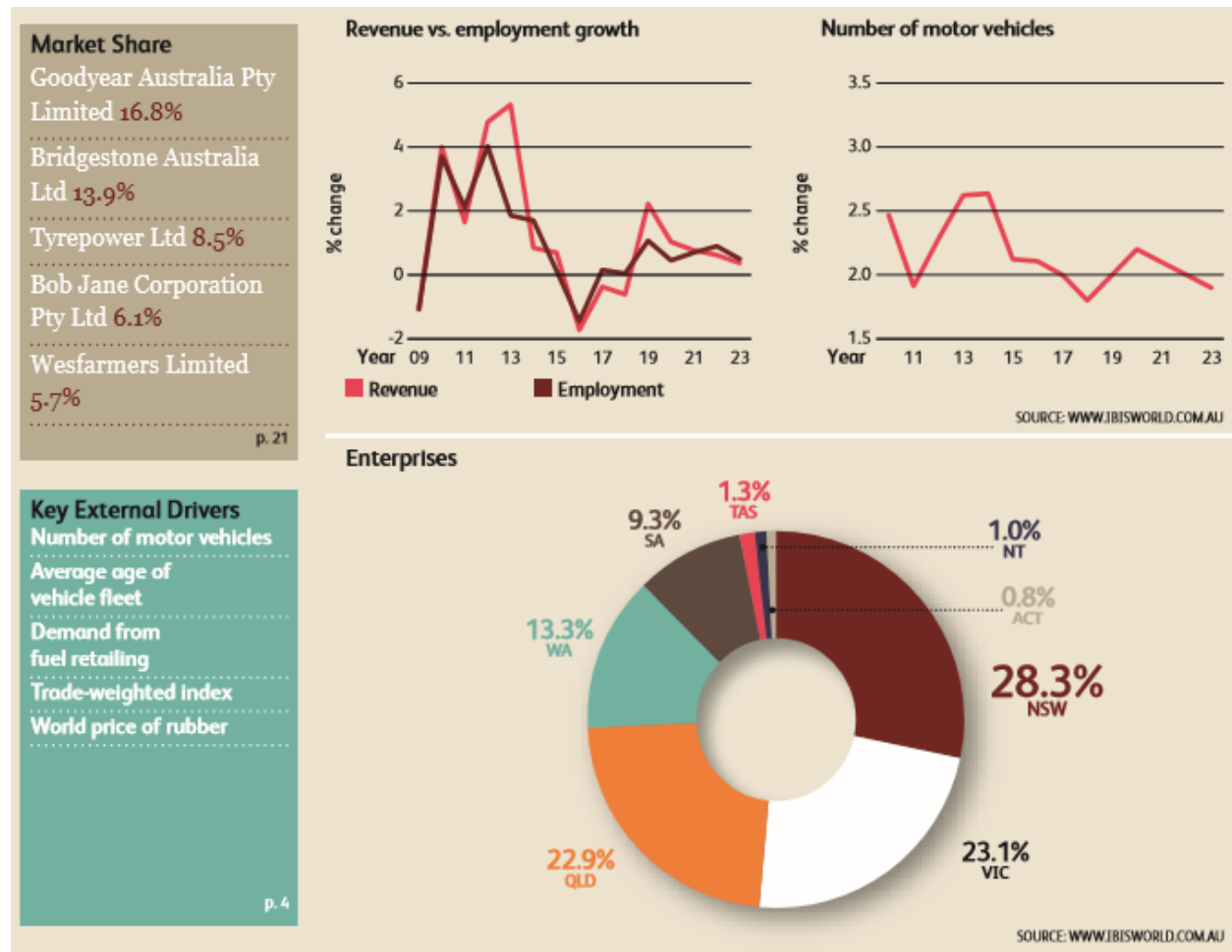
## 2016-17 Industry snapshot: Tyre retailing in Australia

### 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 (Johnson, S. IBISworld, Dec 2016).

<b>Revenue:</b> \$4.6bn	<b>Annual growth 2012-17:</b> 0.9%	<b>Predicted annual growth 2017-22:</b> 0.8%
<b>Profit:</b> \$240.3m	<b>Wages:</b> \$628.4m	<b>Businesses:</b> 2,073

(Johnson, S. IBISworld, Dec 2016)



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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 annualised 0.9% over the five years through 2016-17 to \$4.6 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 thus, reducing 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 forecast to rise at an annualised 0.8% over the five years through 2021-22, to reach \$4.8 billion.

Source: Johnson, S (Dec 2016). IBISWorld industry report F3922: Tyre retailing in Australia.