

## 2018-19 Industry Snapshot: Motor Vehicle Wholesaling in Australia (Source: IBISworld)

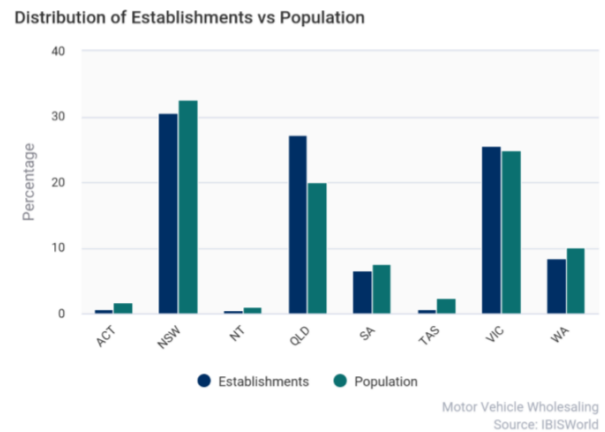
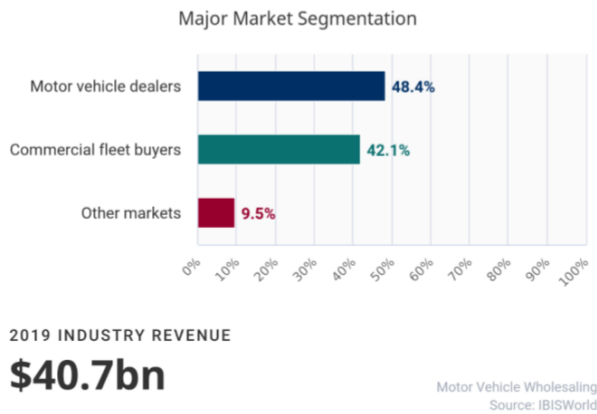
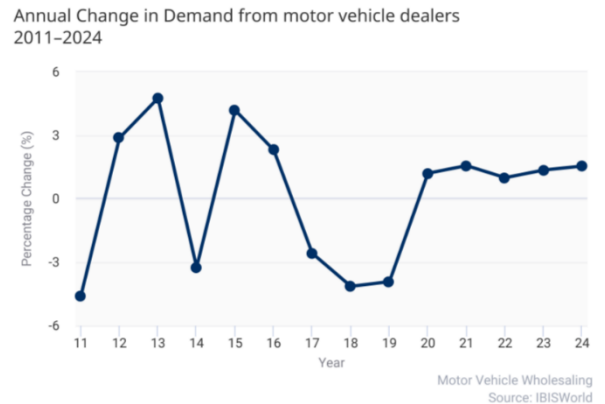


### Industry Definition

Industry operators usually wholesale new and used motor vehicles to motor vehicle dealers and fleet users/operators. (Yeoh, Y.H. IBISworld. May 2019).

<b>Total Revenue 2019:</b> -\$40.7bn	<b>Annual Growth 2014-19:</b> +1.1%	<b>Annual Growth 2019-24:</b> +2.3%
<b>Profit Margin 2019:</b> -2.5%	<b>Wages as a share of Revenue 2019:</b> +2.9%	<b>Number of Businesses 2014-19:</b> -2.2%

(Yeoh, Y.H. IBISworld. May 2019).



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### Industry Summary

- The motor vehicle wholesaling industry is expected to reach \$40.7 billion in 2018-19 at an annualised rate of 1.1%.
- Growth can be attributed to rising discretionary incomes, positive business confidence, increasing demand for imported vehicles and the closure of large Australian manufacturers including Toyota, Holden and Ford. These companies will shift from being manufacturers to motor vehicle wholesalers.
- Consumer preferences for smaller and more fuel efficient cars and compact SUV's (commonly not produced in Australia) and increasing competition between motor vehicle wholesalers have increased growth for the motor vehicle wholesaling industry.
- Government policies, including free trade agreements and no increase in motor vehicle tariffs, have reduced the negative impact of a weak Australian dollar on consumer demand.
- Overall, industry revenue for the motor vehicle wholesaling industry is forecast to reach \$45.6 billion in 2023-24 which equates to an annualised growth rate of 2.3%.

Sources:

Yeoh, Y.H. (May 2019). IBISWorld industry report F3501: Motor Vehicle Wholesaling in Australia.