

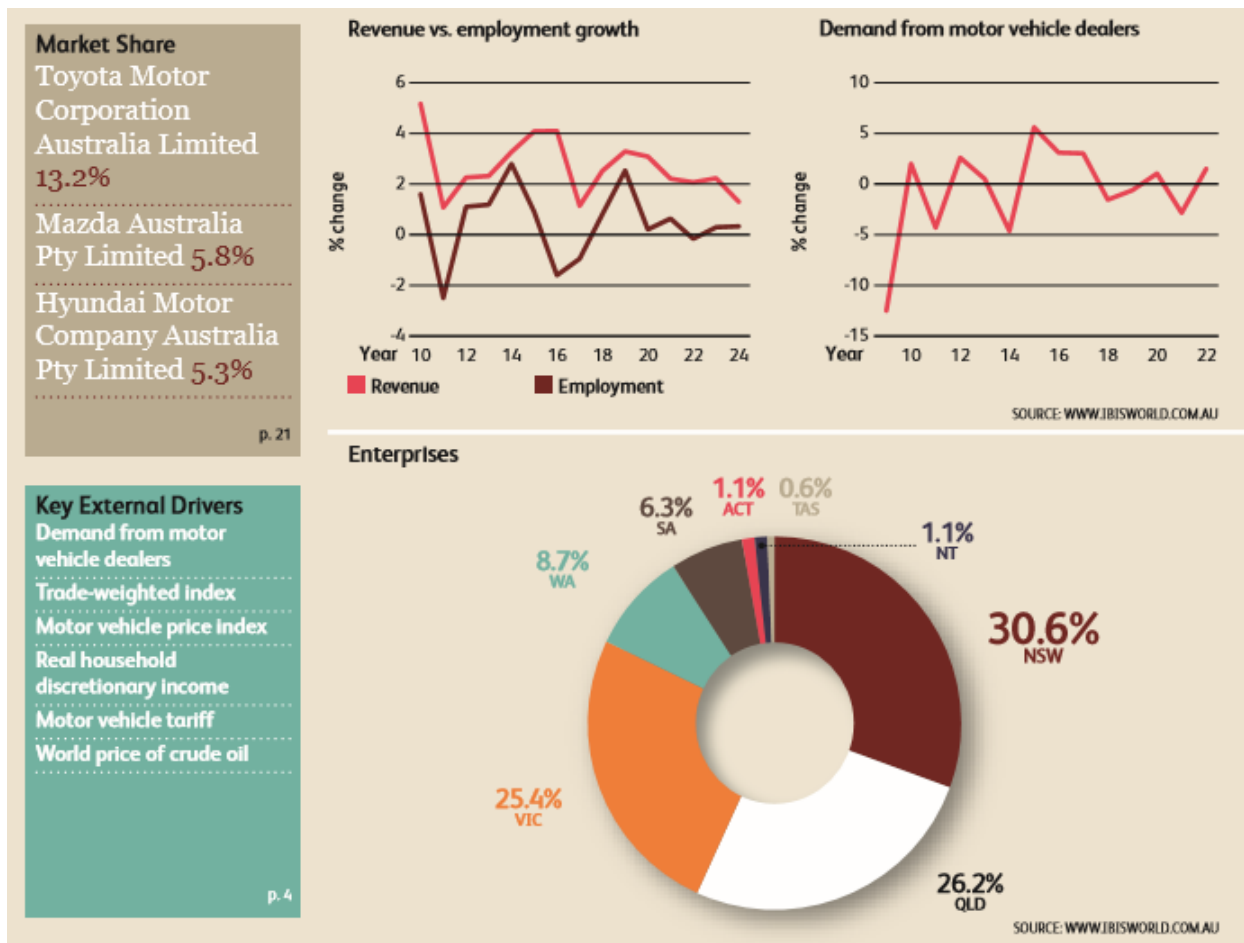
2016-17 Industry snapshot: Motor vehicle wholesaling in Australia

Industry definition:

Industry operators usually wholesale new and used motor vehicles to motor vehicle dealers and fleet users/operators (Source: Thomson, J. IBISworld. Aug 2017).

Revenue: \$44.7bn	Annual growth 2013-18: 3.0%	Predicted annual growth 2018-23: 2.6%
Profit: \$1.9bn	Wages: \$982.5m	Businesses: 1,143

(Source: Thomson, J. IBISworld. Aug 2017)



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Industry summary:

- The motor vehicle wholesaling industry has grown steadily since 2012 with projected revenue expected to reach \$44.7 billion in 2017-18 as a result of a 3.0% annual growth rate (Source: Thomson, J. IBISworld. Aug 2017).
- 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 (Source: Thomson, J. IBISworld. Aug 2017).

- 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 (Source: Thomson, J. IBISworld. Aug 2017).
- 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 (Source: Thomson, J. IBISworld. Aug 2017).
- Intense competition and pressure by manufacturers to achieve sales targets has reportedly driven down margins for dealers (Source: VACC, 2017).
- Overall, industry revenue for the motor vehicle wholesaling industry is forecast to reach \$50.7 in 2022-23 which equates to an annualised growth rate of 2.6% (Source: Thomson, J. IBISworld. Aug 2017).

Sources:

Thomson, J (Aug 2017). IBISWorld industry report F3501: Motor vehicle wholesaling in Australia.

Victorian Automobile Chamber of Commerce (VACC)(2017). Directions in Australia's automotive industry: An industry report 2007.