



AUTOMOTIVE PARTS & ACCESSORIES (APS)

INTERNATIONAL COPYRIGHT, U.S. & FOREIGN COMMERCIAL SERVICE AND U.S. DEPARTMENT OF STATE, 2013. ALL RIGHTS RESERVED OUTSIDE OF THE UNITED STATES.

Overview

Unit: USD thousands

	2011	2012 (estimated)	2013 (estimated)	2014 (estimated)
Total Market Size	9329000	9338030	9607709	10007709
Total Local Production	4850000	4825128	4885600	4985600
Total Exports	1101000	1200199	1190011	1090011
Total Imports	5580000	5713101	5912120	6112120
Imports from the U.S.	799000	804031	815089	845089
Exchange Rate: 1 A\$	1.00	1.00	1.00	1.00

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

- Total Local Production: Industry estimates
- Total Exports: Industry estimates
- Total Imports: Industry estimates
- Imports from U.S: Industry estimates

Despite the relatively small size of the local automotive market, Australia remains one of the most competitive markets in the world. According to VFACTS 2012, 67 different vehicle brands are sold in the Australian market, compared to 51 in the USA, 49 in Canada, and 53 in the United Kingdom.

Local automotive production has remained flat over the last two years. Local consumers are turning away from purchasing locally built vehicles and instead are buying imported vehicles. The number of imported light vehicles (including Passenger Motor Vehicles (PMVs) Sports Utility Vehicles (SUVs), and Light Commercial Vehicles (LCVs) has increased steadily from 2009-2012 probably owing to the strength of the Australian dollar, and the relative affordability of foreign-made vehicles.

Of all sales of domestic light vehicles, MPVs account for 55 percent, SUVs for 27 percent of all sales, and LCVs for 18 percent of the market.

Japan still leads the way in total light vehicles imported into Australia, followed by the EU and North America.

Motor Vehicle Imports By Country of Origin 2012	
	Percentage
Japan	30
European Union	22
NAFTA	17
ASEAN	15
Korea	8
China	4
Other	4

Source: DFAT STARS Database based on ABS Cat 5368.0 Feb 2013

The Federal Chamber of Automotive Industries reported that in 2011 over one million automotive vehicles were sold in the local market, and over 110,000 motorcycles, ATVs and scooters were sold in the same period.

Australia has the third-highest vehicle ownership rate in the world with over 600 vehicles per 1,000 people. Growth in Australia's aftermarket has averaged above three percent over the past ten years. The retail market for replacement parts and accessories is valued at approximately US\$9 billion, and includes both locally manufactured and imported products. According to the World Trade Atlas, the United States is the leading supplier, accounting for 19.7 percent of imports or US\$548 million, while Japan comes second with 17.4 percent.

The U.S.-Australia FTA has resulted in the elimination of tariffs across most U.S. automotive imports. This fact coupled with the larger size of the U.S. industry has contributed to a 10.4 percent increase in U.S. exports to Australia since its inception. Future growth potential may be limited by the modest size of the Australian market. Although the United States is Australia's largest import source of these components, U.S. exports to Australia represent less than 2 percent of total U.S. exports of motor-vehicle parts.

Sub-Sector Best Prospects

The Australian automotive market provides good opportunities for U.S. suppliers of both specialty aftermarket equipment/accessories as well as the necessary aftermarket parts such as; 4WD parts and accessories, street performance parts and accessories, and automotive tools. In general, high-quality, innovative, environmentally-conscious and competitively-priced parts and accessories have strong demand.

Standards

Before a road vehicle can be registered for the first time in Australia, it must comply with the Federal Motor Vehicle Standards Act 1989. The Motor Vehicle Standards Act requires vehicles as well as automotive parts and accessories to meet the national standards that cover a variety of safety and emission requirements. These national standards are currently known as the Australian Design Rules (ADRs). Compliance with the ADRs is overseen by the Department of Infrastructure and Transport; <http://www.infrastructure.gov.au/>

The Australian Quarantine and Inspection Service (AQIS) inspect secondhand automotive parts. Therefore some U.S. companies may also have to comply with the AQIS standards; <http://www.aqis.gov.au>.

Opportunities

A prime area of opportunity in Australia's automotive sector is for accessories and replacement parts for light and medium-sized family cars and sports utility vehicles. Parts and accessories for routine auto maintenance, street performance, and high-end cosmetic auto enhancement also offer considerable opportunity for U.S. firms. Sales are generally through agents or distributors, although some U.S.-based online stores have started selling direct to end-users who are realizing the cost savings that can be made.

Web Resources

Australian Automotive Aftermarket Association: <http://www.aaaa.com.au>

Australian Customs Service: <http://www.customs.gov.au>

Department of Infrastructure and Transport; <http://www.infrastructure.gov.au/>

Federal Chamber of Automotive Industries: <http://www.fcai.com.au>

Federation of Automotive Parts Manufacturers: <http://www.fapm.com.au>

U.S. Commercial Service
Level 59, MLC Centre, Martin Place, Sydney NSW 2000
Tel: 02-9373-9202 | Fax: 02-9221-0573 | E: office.australia@trade.gov | www.export.gov/australia