

AAAA Dashboard Q3 2017



The voice of the independent aftermarket in Australia

Welcome to the Q3 2017 Edition of the Aftermarket Dashboard, a quarterly information service for members of the AAAA.

This industry publication captures useful statistical and related data, as indicators of the unfolding trends and health of the automotive aftermarket industry, and has been designed to provide regular insight on our industry.

We value your suggestions for improvement or feedback regarding content.

	1. Current State of the Market	2. Purchasing Trends	3. Servicing Forecasts	4. Industry Headlines
---	---	-------------------------	---------------------------	-----------------------------



1. Current State of the Market

Australian Economic Indicators

Consumer Confidence



96.7 (↓1.0)

Westpac Melbourne Institute
(Q3 '17, vs. Q2 '17)

Business Confidence



114.9 (↑0.8)

ANZ-Roy Morgan
(Q3 '17, vs. Q2 '17)

Fuel Prices



\$1.23 (↓5c)

AiP - Ave weekly price
(Q3 '17, vs. Q2 '17)

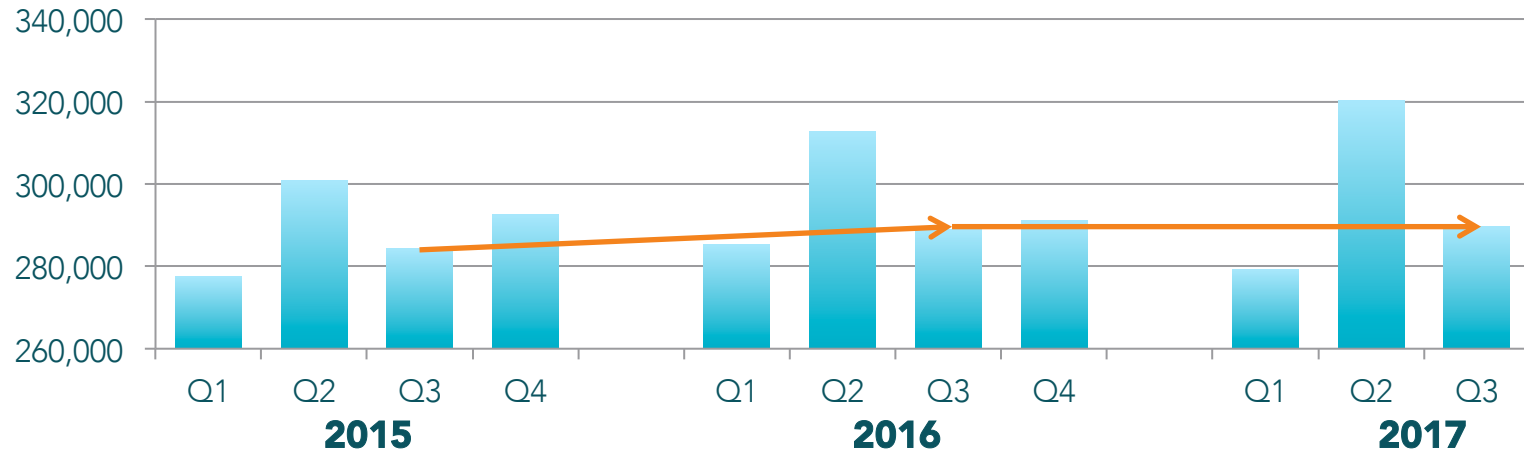
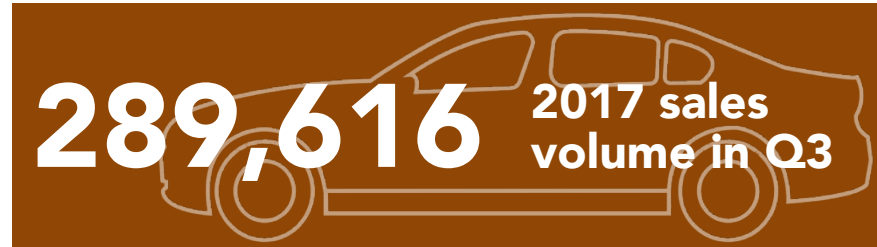
The Westpac Melbourne Institute consumer confidence index continues to decline, based on increasing pressure on family finances, alongside concerns around housing affordability, and rising energy prices.

Despite concerns about mounting energy costs as we move towards summer, businesses maintain a generally positive outlook, with almost half expecting to be better off financially at this point next year.

Australian fuel prices continued to trend downwards in Q3 2017, as wholesale prices continue to decline. They did however start to correct upwards in September, suggesting we could see increases through Q4.

New Car Sales By Quarter

Australian new car sales dropped to 289,616 vehicles in Q3 2017, down 10.6% on the EOFY-inflated Q2, but in line with Q3 2016. Based on this, the market is still on track to (marginally) outperform 2016.





New Car Sales By State

Weaker national sales figures were reflected across the country, with Tasmania the only state or territory to record a volume increase in Q3 2017. NSW and Victoria both declined in line with the overall market, while stronger consumer sentiment in Queensland wasn't enough to arrest a 17% slide from Q2.

State	Q2 Volume	% Chng from LQ	Q3 Share
New South Wales	96,925	-11%	33%
Victoria	82,249	-9%	28%
Queensland	56,410	-17%	19%
Western Australia	24,464	-2%	8%
South Australia	17,482	-10%	6%
Tasmania	4,930	5%	2%
Australian Capital Territory	4,517	-9%	2%
Northern Territory	2,639	-33%	1%
TOTAL	289,616	-11%	

New Car Sales By Marque

Q2 Rank	Make	Q3 Volume	% Chng from LQ	Q3 Share
1	Toyota	53,819	-12%	19%
2	Mazda	28,367	-9%	10%
3	Hyundai	23,431	-17%	8%
4↑ ¹	Holden	20,333	-8%	7%
5↓ ¹	Ford	19,760	-13%	7%
6	Mitsubishi	19,734	-8%	7%
7↑ ³	Subaru	13,485	2%	5%
8↓ ¹	Kia	13,435	-18%	5%
9↓ ¹	Volkswagen	13,434	-15%	5%
10↓ ¹	Nissan	12,191	-24%	4%
TOTAL		289,616	-11%	



**Toyota
automobiles
sold this quarter**

53,819

The top three brands remain unchanged in Q3 2017, with Toyota just 3,000 units short of doubling its closest competitor.

Reflecting on the end of Australian vehicle production, Toyota Australia sales and marketing chief Sean Hanley said the company does not expect to see any negative impact on overall sales in the year ahead. "We see our business growing in the future, we're planning to grow."

In a nostalgic moment, Holden and Ford rounded out the top five, ahead of Australian automotive manufacturing coming to an end in October.

Lower down the list, Subaru took advantage of some weaker results to jump three spots into 7th, beating out Kia by just 50 units.

2. Purchasing Trends



New Car Sales By Buyer Type

Fleet buyers clearly outperformed the private market in Q3 2017, with the rental sector continuing to build out its fleet across passenger and light commercial vehicles.

Weaker private results are likely to correct in Q4, as dealers clear MY 2017 stock ahead of the end of the calendar year, with no evidence to suggest a continued downturn.

Vehicle Type	Q3 Volume	% Chng from LQ	Q3 Share
Private	131,981	-14%	47%
Business	116,895	-10%	42%
Government	9,441	-14%	3%
Rental	21,758	29%	8%

Rental Sector

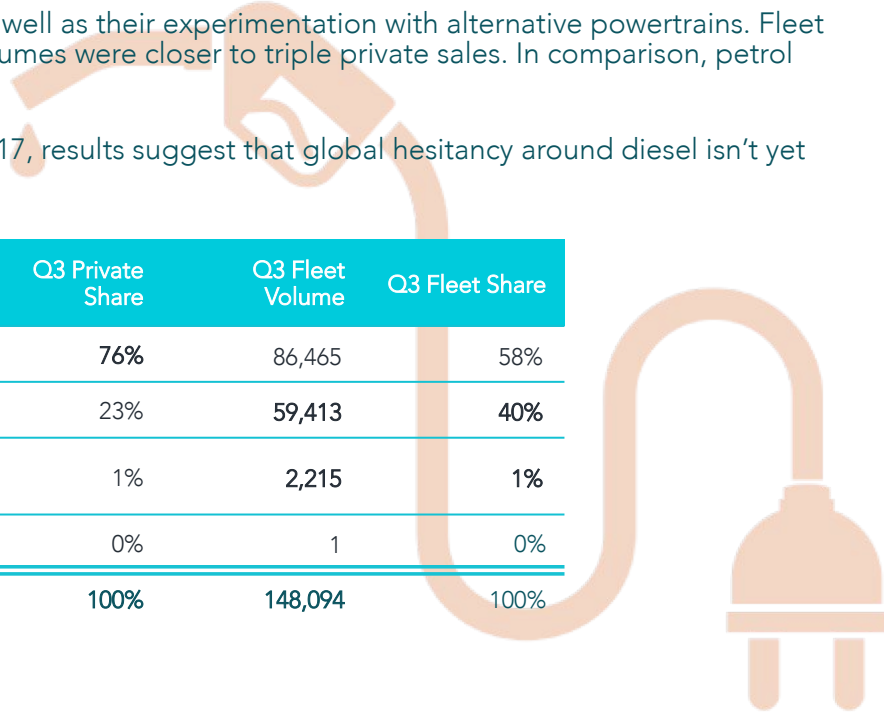


Powertrain By Buyer Type

Fleet buyers also continued their love affair with diesel in Q3 as well as their experimentation with alternative powertrains. Fleet diesel volumes almost doubled the private market, while EV volumes were closer to triple private sales. In comparison, petrol made up three quarters of private sales.

While there has been a slight shift to petrol compared to Q2 2017, results suggest that global hesitancy around diesel isn't yet translating to the Australian market.

Vehicle Type	Q3 Volume	Q3 Share	Q3 Private Volume	Q3 Private Share	Q3 Fleet Volume	Q3 Fleet Share
Petrol	187,066	67%	100,601	76%	86,465	58%
Diesel	90,024	32%	30,611	23%	59,413	40%
Electric / Hybrid	2,984	1%	769	1%	2,215	1%
LPG	1	0%	0	0%	1	0%
TOTAL	280,075	100%	131,981	100%	148,094	100%





3. Servicing Forecasts

Servicing Forecasts



Despite global emissions requirements driving a global shift away from Diesel, the trend in Australian new vehicle registrations clearly shows that workshops need to be capable of servicing more not fewer diesel vehicles in the foreseeable future.

Over the period 2010-2015, nearly two million (1,929,952) new diesel vehicles were registered, with these vehicles now coming out of new car warranty, and likely to appear in greater numbers in independent mechanical workshops.

Top Diesel Models (2010 - 2015)

Top 3 Diesel Utes



Toyota Hilux
164,951 sales



Ford Ranger
120,369 sales



Mitsubishi Triton
110,224 sales

Top 3 Diesel SUVs



Toyota Prado
82,282 sales



Ford Territory
57,528 sales



Toyota Landcruiser
51,350 sales

New vehicle registration data can also answer the question on which specific diesel models workshops should expect to be servicing. Not surprisingly, the majority of new diesel vehicles registered were utes and SUVs, with Toyota the clear market leader.

Within that, the top three diesel ute and SUV models account for 33% of total light commercial and passenger diesel vehicle registrations over this period, giving us a good sense of what vehicles will be turning up in independent workshops over the next 3-5 years.

4. Industry Headlines

UTO NEWS

average
Nar
jump in
ue from its
(NA),

AAA NEWS



The Future of Automotive Manufacturing in Australia

Our thoughts are with the many tens of thousands of hard working and loyal employees that, through no fault of their own, face an uncertain future. We only hope that Federal and State Governments will back up their rhetoric and ensure that these workers are...

3 Retail Shares That Could Be Sheltered From Amazon

Some commentators seem to think Amazon will dominate instantly and end our retail giants. Others seem to think it will take Amazon years to gain traction and even then, it will be a small market share. The answer will probably be somewhere in the middle...

Liquid natural gas engine launched in Europe, but Australia is way behind

LIQUID natural gas is seen as the next clean, green fuel solution for heavy transport, at least in Europe where last week machinery giant CNH Industrial launched a new natural gas engine...

TOKYO MOTOR SHOW: Toyota to phase out petrol and diesel engines by 2040

Electrified powertrains currently comprise 15 per cent of Toyota's total global sales. Australia is among the lowest take-up markets with only one in 20 Toyotas sold featuring electrification...

BYD Predicts Ambitious China Shift to Electric Cars by 2030

All vehicles in the country will be "electrified" by 2030, which could range from full electric cars to mild hybrids, BYD Chairman Wang Chuanfu said on Thursday. BYD, backed by Warren Buffett, has already invested heavily in the NEV market...



AAAA NEWS



Kobe Steel scandal deepens over quality of products used in cars and aircraft

Japan's third-biggest steelmaker, Kobe Steel, is embroiled in a deepening scandal over the quality of products including aluminium and copper used in cars, aircraft, space rockets and defence equipment...

Thousands of extra Subaru cars added to Takata Airbag Recall

The effects of the Takata Airbag Recall are still being felt with Subaru Australia updating its list of affected vehicles over the weekend...

Transport ministers approve next step in automated vehicle regulation

Australian transport ministers have approved two key automated vehicle reforms as part of a roadmap of reform to support commercial deployment...

The Era of Autonomous Vehicles is Here

According to industry estimates, by 2020, the autonomous vehicle market will be worth US\$87 billion. Furthermore, by 2040, it is predicted that four out of every 10 vehicles on the road will be autonomous. Autonomous vehicles will open up new opportunities and create an impetus for innovation for organisations from across a wide range of industries in Australia...





About AAAA

The Australian Automotive Aftermarket Association, is the national industry association representing manufacturers, distributors, wholesalers, importers and retailers of automotive parts and accessories, tools and equipment, as well as providers of vehicle service, repair and modification services in Australia.

For more information, please contact:

Lesley Yates

Senior Manager Government Relations & Advocacy
Australian Automotive Aftermarket Association (AAAA)
Convenor: Automotive Products Manufacturers & Exporters Council (APMEC)

Suite 16, Building 3, 195 Wellington Rd
Clayton VIC 3168 Australia
+61 (3) 9545 3333 | 0402 005 476
lyates@aaaa.com.au

About ACA Research

With over 20 years of automotive experience, ACA Research has developed a detailed understanding of the automotive sector. Using this market knowledge, we design and deliver research that helps our clients understand and overcome their business issues, empowering them to move forward with confidence.

For more information, please contact:

Ben Selwyn

Automotive Account Director
ACA Research

Level 6, 107 Mount St
North Sydney NSW 2060 Australia
+61 (2) 9927 3333 | 0411 132 166
bselwyn@acaresearch.com.au