

## **Motor Vehicle Dismantling and Used Parts Wholesaling in Australia Industry Market Research Report Now Updated by IBISWorld**

*The Motor Vehicle Dismantling and Used Parts Wholesaling in Australia industry will face challenges over the next five years as the average age of motor vehicles declines. For this reason, industry research firm IBISWorld has updated its report on the Motor Vehicle Dismantling and Used Parts Wholesaling industry in Australia.*

Melbourne, Australia ([PRWEB](#)) January 03, 2014 -- [The Motor Vehicle Dismantling and Used Parts Wholesaling industry in Australia](#) is small, contributing approximately 5.0% of revenue in the motor vehicle wholesaling sector. According to IBISWorld industry analyst Kosta Lev, “revenue volatility tends to be low as the need and demand for transportation across Australia remain steady”. The economic crisis in 2008-09 slowed revenue growth over the next few years and led to a decline of 1.6% in 2010-11. However, the industry returned to growth in the following year. IBISWorld expects industry revenue to drop again in 2013-14, by 0.3% to \$1.96 billion.

Used car parts wholesalers tend to be resilient against the major sales fluctuations experienced by car retailers. “This is mainly due to households' attempts to save money during economic downturns, which leads them to postpone the purchase of new vehicles,” says Lev. This increases the average age of the existing vehicle fleet. Older vehicles are more prone to breakdowns, increasing demand for maintenance. In addition, as job losses mounted during the downturn, households became even more pessimistic about their future. To save on maintenance costs, they dictated that parts be used rather than new when repairing vehicles. Although these factors absorbed much of the shock experienced by other industries, IBISWorld expects annualised industry revenue growth to be fairly stagnant at 0.8% over the five years through 2013-14. The number of enterprises, however, is expected to fall by an annualised 2.6% as unprofitable companies leave the market. This industry is characterised by low market share concentration due to ease of entry, and there are no major players.

Over the next five years, the stock of motor vehicles will keep growing, which will sustain used parts and dismantling activity. This positive trend will be countered by the declining average age of motor vehicles, as newer vehicles are less likely to be dismantled or use second-hand parts. The numbers of establishments and enterprises are expected to continue falling, which implies that operators in the industry will rationalise their operations. There will be growth in professionalism and technology, with management of products and enhanced communication being vital to business longevity. Smaller operators are thus expected to be forced out of the [Motor Vehicle Dismantling and Used Parts Wholesaling industry](#) particularly if they do not have the flexibility to expand into growth areas such as the recycling of used parts.

For more information, visit IBISWorld’s Motor Vehicle Dismantling and Used Parts Wholesaling report in Australia industry page.

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### IBISWorld industry Report Key Topics

Companies in this industry dismantle motor vehicles and sell the parts obtained in the dismantling process. Businesses also wholesale used motor vehicle parts obtained from other sources.

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