Global Car and Automobile Sales Industry Market Research Report from IBISWorld has Been Updated

Governments around the world offered incentive programs to prospective new-car buyers, helping buoy the industry as the recession took hold. For these reasons, industry research firm IBISWorld has added a report on the Global Car and Automobile Sales industry to its growing industry report collection.

Los Angeles, CA (PRWEB) January 20, 2013 -- The Global Car and Automobile Sales industry is in the breakdown lane following a stormy end to 2008. The financial crisis that crippled the US economy rippled through other countries around the globe, causing unemployment to rise and wealth to dive. The industry is vulnerable to economic shifts, given its dependency on employment rates, overall consumer spending, financing rates and home values. Due to lower disposable income and growing pessimism about the future, demand for cars dropped. “Motor vehicle sales crashed in 2008 and 2009, although they have begun to recover since,” says IBISWorld industry analyst Radia Amari. Nonetheless, the industry has faced additional obstacles since the global recession. In 2011, the tsunami and earthquake in Japan adversely affected the industry by reducing the supply at dealers selling vehicles made in Japan or containing parts made there. However, supply levels returned to normal in 2012. Over the five years to 2012, industry revenue is expected to grow at an annualized rate of 1.4% to $4.0 trillion. Revenue is expected to grow 3.4% in 2012 as the industry settles into its long-term growth path.

Many governments around the world offered scrappage incentives, cash rebates and other measures to offset some of the decline in sales. The story was different in emerging economies, where car sales did not suffer as much during the global recession. Car sales rose in China, Brazil and India during 2009, albeit with a little help from government incentives. Unlike in the United States, stimulus schemes in developing nations were highly effective in boosting car demand to new highs. Revenue growth in emerging economies encouraged new operators to enter the industry. Over the five years to 2012, the number of industry dealerships rose at an estimated average annual rate of 4.4% to 221,046. IBISWorld expects pent-up demand, supported by better economic times, to drive up sales over the next five years. Similarly, the introduction of new energy-efficient vehicle models will boost sales as consumers move away from high gasoline-consuming vehicles. Industry revenue is expected to rise over the five years to 2017. However, weak European economies will hinder this performance.

The Global Car and Automobile Sales industry is highly fragmented. The industry is comprised of over 200,000 companies, and the top four companies will generate less than 5.0% of industry revenue in 2012. According to Amari, consolidation has increased in Western countries, as operators respond to saturation. However, an increasing number of operators are entering the industry in emerging nations, as growing populations increasingly shift to cars and trucks for transportation. Over the five years to 2012, the number of industry firms will increase at an estimated average annual rate of 4.4%. For more information, visit IBISWorld’s Global Car and Automobile Sales industry report page.

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IBISWorld industry Report Key Topics

This industry retails new and used motor vehicles mainly through dealerships, commission agents and car auctions. Products sold in this industry include: passenger cars, SUVs and light trucks, heavy trucks, buses, recreational vehicles and specialty vehicles like ambulances and fire trucks. Retail sales of motorcycles, mopeds and bicycles are not included in this industry.

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