

SUV & Light Truck Manufacturing in Canada Industry Market Research Report Now Available from IBISWorld

Rising regulatory standards and increasing gasoline prices are anticipated to hamper growth for the SUV and Light Truck Manufacturing industry, resulting in industry operators increasing their emphasis on producing more fuel-efficient compact vehicles as consumer preferences shift toward smaller vehicles and higher fuel economy over the next five years. For these reasons, industry research firm IBISWorld has added a report on the SUV and Light Truck Manufacturing industry to its growing industry report collection.

New York, NY ([PRWEB](#)) January 16, 2014 -- Over the five years to 2013, revenue for the SUV and Light Truck Manufacturing industry is expected to increase, bolstered by rising disposable income. As disposable income rises, consumers will be more likely to purchase big-ticket items, such as new automobiles. Rising international trade, particularly with the United States, is also expected to lift industry revenue during the five-year period. With the export market accounting for roughly 65.3% of industry revenue in 2013, an expected 98.5% of which is destined for the United States, industry operators are heavily reliant on US economic conditions. Consequently, as the US economy continues to rebound from recessionary lows, industry revenue is expected to benefit. The [SUV and Light Truck Manufacturing industry](#) is expected to grow at an annualized rate of 8.4% to \$37.1 billion over the five years to 2013.

According to IBISWorld Industry Analyst Brandon Ruiz, “However, rising regulatory standards, along with increasing gasoline prices are expected to slow industry revenue growth in the latter part of the five-year period.” As annual emission regulations become more stringent in both the United States and Canada, automakers are emphasizing production on more fuel-efficient compact vehicles. Additionally, as the world price of crude oil continues to rise, which will lead to higher gas prices at the pump, consumers are expected to shift to smaller vehicles with better fuel economy. As a result of these trends, IBISWorld expects industry revenue to decline 3.0% in 2013.

Over the five years to 2018, industry revenue is expected to slightly fall. “The rising price of gas will likely continue to hamper growth prospects for industry operators,” says Ruiz. Despite an expected increase in disposable income over the five-year period, consumer preferences are anticipated to continue shifting toward smaller vehicles with higher fuel economy. Nevertheless, automakers are expected to develop SUVs and light trucks that run on hybrid engines, which will likely prevent industry demand from free falling. The appreciation of the Canadian dollar is also expected to hinder growth prospects. As the dollar appreciates, demand for domestic goods decreases as they become more costly for downstream markets abroad. Because industry operators rely heavily on international trade, this is expected to pose a potential threat for the industry.

The SUV and Light Truck Manufacturing industry has a low level of concentration. Furthermore, the number of employees per establishment is expected to trend downward as automakers increasingly utilize technology to automate the production process and alleviate their reliance on labour.

For more information, visit IBISWorld’s SUV & Light Truck Manufacturing in Canada industry report page.

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IBISWorld industry Report Key Topics

The SUV and Light Truck Manufacturing industry manufactures light trucks and utility vehicles such as vans, pickups, sport-utility vehicles (SUVs) and crossover-utility vehicles (CUVs). The industry also manufactures light truck and utility vehicle chassis. This industry excludes the manufacturing of cars and motorcycles.

- Industry Performance
- Executive Summary
- Key External Drivers
- Current Performance
- Industry Outlook
- Industry Life Cycle
- Products & Markets
- Supply Chain
- Products & Services
- Major Markets
- Globalization & Trade
- Business Locations
- Competitive Landscape
- Market Share Concentration
- Key Success Factors
- Cost Structure Benchmarks
- Barriers to Entry
- Major Companies
- Operating Conditions
- Capital Intensity
- Key Statistics
- Industry Data
- Annual Change
- Key Ratios

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