



MEDIA RELEASE

SENATOR KIM CARR

Minister for Innovation, Industry, Science and Research

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GOVERNMENT TAX BREAK PAYS DIVIDENDS FOR AUTOMOTIVE INDUSTRY

2009 New Vehicle Sales Surpass Expectations

Official data released today by the Federal Chamber of Automotive Industries shows a strong upward trend in new vehicle sales during the second half of 2009.

Welcoming the vehicle sales figures for 2009 released today, Innovation Minister Senator Kim Carr said the Rudd Government's Small and General Business Tax Break had really hit the mark in delivering key stimulus to the automotive industry.

"The record new car sales figures for December show that the business tax break was the right policy at the right time and has delivered even better than expected results for the industry," Senator Carr said.

"Total December sales were a record 88,708 vehicles, up nearly 16 per cent on December 2008 while business sales in December jumped an extraordinary 44.5 per cent on last year's figure.

"Businesses have been encouraged to invest in new motor vehicles and this has had an important sustaining flow-on effect to the automotive industry.

"During the final seven months of 2009 total new vehicle sales were 584,952, outstripping the corresponding period in 2008 by 8,941 vehicles.

"This is almost entirely due to the increase in business sales in this period which surged ahead by 11.8 per cent over the corresponding period in 2008.

"The increase in sales has been good for Australian automotive manufacturers, with sales of locally manufactured utility vehicles, favoured by many small business operators, up almost 22 per cent over the June to December period from 2008."

Overall new vehicle sales in 2009 were 937,238, well above industry forecasts and only a 7.4 per cent decrease on the 1,012,164 vehicles sold in 2008.

Industry forecasts predicted a much greater drop in sales due to the severity of the global recession, whose effects were still being keenly felt during the first half of 2009. Senator Carr attributed the better than expected outcome to the Rudd Government stimulus.

“Australian sales have performed extremely well,” Senator Carr said.

“The positive results announced today give the automotive industry in Australia a solid platform to grow and develop and will help to ensure its future sustainability.”

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