

# FEDERAL CHAMBER OF AUTOMOTIVE INDUSTRIES

*Investing in Australia's future*



**MIKE DEVEREUX**

**President FCAI**

**Chairman & Managing Director GM Holden**

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# WELCOME



# AUSTRALIAN CAPABILITY



# BENEFITS TO AUSTRALIAN ECONOMY

- **\$3.6 billion** vehicle & component exports in 2010
- **59,000** Australian jobs (*up from 50,000 in 2009*)
- **\$450,000** product generated per employee
- **\$3 billion** wages & salaries in 2008-2009
- **\$4.5 billion** spent on auto R&D since 2007



# IMPROVING FUEL EFFICIENCY

Cars responsible for 8% of Australian GHG emissions

CO2 emissions down 15% in less than 10 years

# ENVIRONMENTAL INNOVATION



# SAFETY INNOVATION



# LONG TERM AUSTRALIAN TARIFF POLICY

*New car sales*

*Tariff Rate*



# MOST COMPETITIVE MARKET IN THE WORLD



HOLDEN



Mercedes-Benz



# COMPETITOR MARKET PROTECTION

## *Global Tariff Regimes*

EU/UK	10%	China	25%	India	60%
Malaysia	30%	Korea	8%	Brazil	35%
Russia	30% + 18% VAT				

## *Australian FTA Partners*

USA	2.5% Passenger, 25% Light Commercials
Thailand	80%

Non-tariff barriers limit Australian access

Excises, municipal taxes, VAT/registration for imports



# PROTECTIONISM VS. INVESTMENT

German Production & EV Development

€46m BMW EV program

€84m VW Jetta production

Attracting Billion Dollar Investments in US

\$410m Kia in Georgia

\$252m Hyundai in Alabama



# UK MANUFACTURING INVESTMENT

\$1.1bn Auto Investment in UK June 2011

Nissan Manufacturing

Nissan invested £192m in new Qashqai

UK invested £20.7m in Leaf

BMW Manufacturing

£420m Mini in Oxford

Other support through  
consumer incentives,  
Infrastructure, etc



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Business > Automotive industry

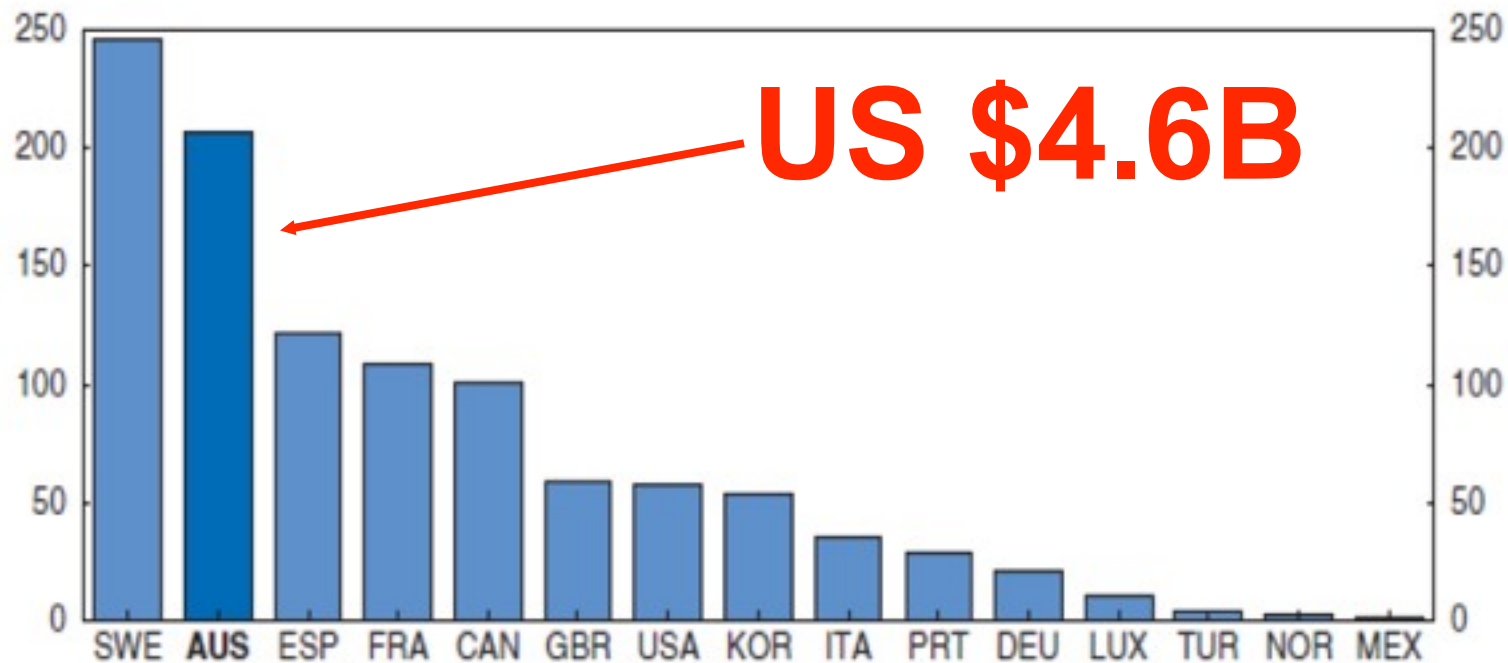
British carmakers buck gloomy industrial trend with healthy exports

UK carmakers export three-quarters of what they produce



# BAD DATA = BAD POLICY

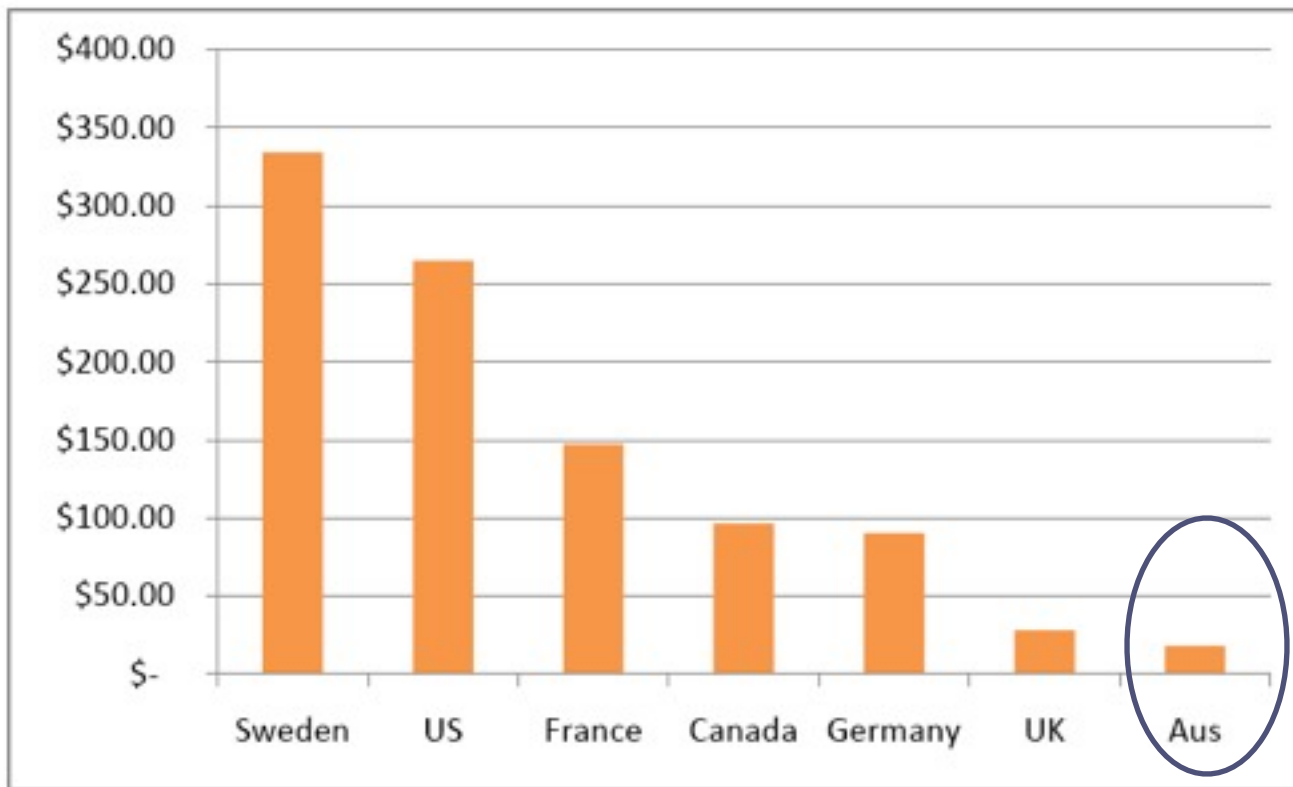
Figure 2.2. International assistance to the automobile sector  
US dollars per capita PPP, 2007





# GOOD DATA = GOOD POLICY

Government Budgetary Assistance to the Automotive Industry, 2008-09 \$US / capita 2007 PPP



SOURCE: SAPERE RESEARCH GROUP

# GLOBAL COMPETITION



# DOES AUSTRALIA WANT AN AUTO INDUSTRY?

