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FBT WEAKENING LOCAL AUTO MANUFACTURING

FBT changes will have dire consequences for local manufacturing should there be an estimated average of almost 20% reduction in locally produced vehicles says the peak industry body responsible for component suppliers.

“The FCAI has made it clear, FBT changes will reduce the volume of cars built locally,” said Chief Executive Richard Reilly.

“This affects our members who are already suffering from historically low production volumes. It will have extreme consequences for component manufacturers.”

The Federation of Automotive Products Manufacturers (FAPM) is responding to figures released by the FCAI which expects the proposed changes to FBT to reduce sales volume by 10% or more annually across the market and locally made cars by an average of almost 20%.

“Policy changes should focus on improving local manufacturing. This was the spirit of the FBT exemptions when they were implemented over 20 years ago.”

As part of its ‘Plan for the Future’ campaign, the FAPM proposes extending the FBT exemption to vehicles with hybrid technology or which contain factory fitted LPG systems.

Mr Reilly added: “There should be some FBT exemption for locally made cars. It is imperative we retain automotive manufacturing in this country.”

The FAPM urges the government to reconsider the proposed changes to the vehicle FBT tax.

Richard Reilly is available for interview on (03) 9863 2400 / 0414 292 470

To view FAPM video on automotive crisis please click on link below

<http://fapm.publish.viostream.com/fapm?v=xhwne9o8j5k8>