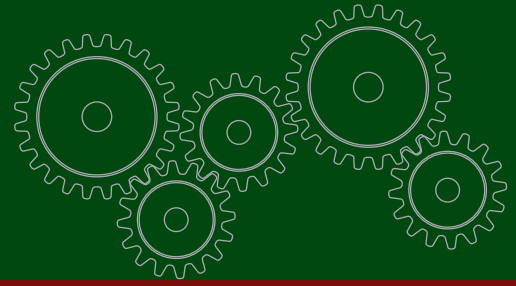




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Accelerate Your Business →

Auto Industry Factoids

January 2007

OVERALL INDUSTRY:

- Final 2006 U.S. market share %s: GM-24.6%; Ford-17.5%; Toyota-15.4%; D/C-14.4%. Ford at 25% in 1995. Toyota had its 11th consecutive year of record sales in the U.S. and is forecasting a 6% increase in 2007 to 2.68 million vehicles in the U.S., its largest market. It will also soon announce the site for its 8th North American assembly plant-in the southeast this time (that will make 6 in the U.S., 2 in Canada).
- "The Detroit Three's market share will decline for many years to come"-John Murphy of Merrill Lynch in a January 8, 2007 report. Total 2007 market to be down 3% to 16.0 million cars and light-duty trucks. Imports-cars and trucks combined-expected to slightly outsell domestics **for the first time ever in 2007**(they have outsold them in passenger cars for the past several years).
- Luxury penetration of the U.S. vehicle market: 2006-11.3% vs. 6.1% in 1996.
- 11 "hottest" vehicles on dealers' lots-based on lowest # of days that they are on their lots before being sold: **all 11 for December were imports**. Toyota had 6, Honda 2, Nissan, Volvo and BMW (Mini Cooper) the other 3.
- # 1 selling minivan in 2006 was the Dodge Caravan/Grand Caravan at 211,140-33,000 ahead of # 2 Honda Odyssey and 48,000 ahead of # 3 Toyota Sienna. **HOWEVER**, 40+% of Caravan sales were to fleets. GM and Ford have decided to abandon the minivan market and focus on Crossovers (65% of Ford Freestar sales and 62% of Chevy Uplander sales were to fleets).

GENERAL MOTORS:

- The quality "perception gap," GM's vehicles vs. Toyota's: survey in which respondents were asked to state their degree of "trust" in several brands: Toyota = 43%; Honda = 35% and Cadillac = 34%. Then it falls off a cliff: for GM mainstream brands: Buick-23%; Pontiac-22%; Chevrolet-21%; GMC-20% and Saturn-7%.
- GM's historically declining market share last 26 years: 1980-46%; 1991-35%; 1996-31.5%; 2001-28.3% and 2006-24.6%. (Note: between 1955-when GM's market share was 49.5% and 2005-when it was 25%, **its market share was cut in half in a market that doubled in unit sales**).





- GM's top-heavy dealer vehicle inventories vs. Toyota dealers: As of 12/31/06, GM had more than one million vehicles on dealers' lots, about 41,000 **for each point of its 24.6% market share**; Toyota-16,000 vehicles **for each point of its 15.4% market share**. GM had 2 1/2 times as much inventory (plus it stays on their dealers' lots longer than is true for Toyota dealers).

DAIMLER CHRYSLER:

- Chrysler's all-new 2007 Sebring, sized and designed to compete head-on with Camry and Accord: New York Times characterization of it-"it looks like the offspring of an arranged marriage between the Chrysler Pacifica crossover van and the Crossfire sports car. The Sebring tries so hard to be so many things, it has a hard time being itself."

TOYOTA:

- Toyota not totally bullet-proof: For full-year 2005 (2006 data on the following not out yet), Toyota recalled more vehicles in the U.S.-2.38 million- **than it sold in the U.S.-2.26 million**. Toyota is now moving ahead this year to hire 8,000 additional engineers globally in part to address the quality issues stemming largely from growing too fast with too few engineers.
- Toyota will supplant GM as the # 1 worldwide seller of vehicles either in 2007 or 2008. Toyota last month forecast that in 2007 it will sell 9.34 million vehicles worldwide, slightly more than the 9.2 million vehicles GM is expected to have sold when all final 2006 #s are in.

MACROECONOMIC AND MISCELLANEOUS:

- Population and demographic projections in a special December 29, 2006 Kiplinger Letter:
 - Overall 1% growth per year; by 2030, 60 million more people living in the U.S. for a total of 360 million.
 - By 2030: Hispanics will be 20% of the population-73 million-with \$ 2 trillion in buying power; Asian-Americans: 6% of population-nearly 23 million-with\$ 1 trillion of disposable income; blacks, at 50 million, will be 14% of the population and their buying power will fall somewhere between Hispanics and Asian-Americans.
 - Sun Belt will grow, as will the West, Northeast up just 5% and there will be an emptying out of the midsection of the U.S. by 2030.
- By 2030, **India likely to have a larger population than China** at 1.5 billion (just a few million more than China). India will also pass Germany and Japan by 2030 to become the **world's third largest economy**.





Auto Industry Factoids

- By 2020 (only time Kiplinger uses 2020 vs. 2030 everywhere else), annual car demand in China will be 21 million vs. 5 million now (side note from separate source: in terms of new vehicle sales, China in 2006 became **the world's second largest market**, surpassing Japan and trailing only the U.S.)

