

# Is The Automotive Industry Dead

Contributed by

Certain parts of the automotive industry are suffering severe difficulties, that fact cannot be argued. However I haven't noticed any automotive manufacturer making cars that will not wear out. I have also noticed that the population of our planet has doubled in my lifetime. Now let us marry these two indisputable facts and see what the market situation truly is. Then we'll look at who deserves to survive and who will do the industry a favour by going out of business.

First the ever expanding population and cars that wear out a little more each time you start the engine. We are told that our free market society runs on supply and demand so the next question that is to be asked is do people want to own a motor vehicle. The answer is obviously yes because only two or three nations on our planet have acceptable public transport systems to replace the private use of automobiles. Therefore it is safe to assume that the demand for cars has never been higher.

The second point concerns the lifespan of the average automobile and here we can only accept published records concerning the useful life of a car. In general most cars die around the age of 15. There are a few exceptions like cars owned by people that do very low mileage, but in general after the age of 10 much money needs spending on a car to keep it running.

Put the two above paragraphs together and you have an expanding customer base and cars are still wearing out at the same rate as they have done since the end of World War 2. So why are manufacturers suffering?

If you look at the monster organisations in the United States like Chrysler, GM and Ford you can immediately see a pattern of stubbornness and greed coming into play. For twenty years they have sat back spending less and less on research and development until today American engines are so backward that few people outside of the United States will buy them. Even within the United States more and more people have voted with their feet and chosen European and Japanese cars in preference. This isn't a new phenomenon it has been happening for the past 20 or 30 years so the car makers cannot claim this situation has just been sprung on them. It isn't the fault of high gas prices either; all that did was to turn the spotlight on an already ailing industry. Let's get it straight V8 engines are unsuitable for family use in the twenty-first century, especially engines that have been kept inefficient in the knowledge that gas prices will never change.