



## Chart in focus

### “Big Three“ see market share plunge in the US

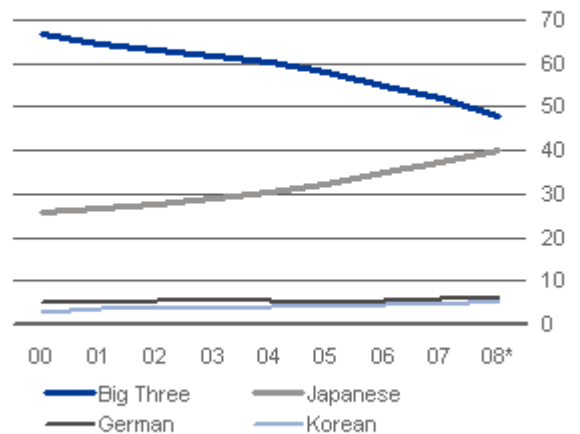
August 20, 2008

The “Big Three” US automakers have suffered a decline of nearly 20 percentage points in their share of unit passenger car sales (Light Vehicles) in the US since the year 2000. In 2008 their share in the world’s largest automobile market will fall below 50% for the first time. Even the extensive rebate offers made over the last few years could not halt this downward trend. Shortcomings in technology, design, costs, and image, among others, are the reasons for the losses. In addition, the recently very high fuel prices have weighed particularly heavily on US carmakers. Thus American brands are impacted most by the currently flagging demand for cars in the United States. US car sales declined 10% in the first half of 2008. Indeed the demand for gas-guzzling pickups and Sport Utility Vehicles (SUVs), a domain of US carmakers, was nearly 20% below the corresponding pre-year reading. A demand shift to fuel-efficient vehicles is not surprising considering petrol prices at record highs. However, the Big Three were apparently caught on the wrong foot by customers’ sudden desire for energy-efficient cars.

The main beneficiaries of the losses made by US carmakers have been their Japanese competitors who have managed to steadily extend their market share in passenger car sales from about 25% in 2000 to 40% recently. The good value for money, reliability and fuel efficiency of Japanese cars are appreciated by customers. German and Korean carmakers are also gaining ground, even though their market shares are relatively low. In the first half of 2008, German carmakers even managed to buck the trend in the US by slightly increasing their unit sales. Good fuel efficiency of the vehicles is an important factor in this regard as well. German suppliers are likely to benefit from the increasing demand for diesel passenger cars in the US. Despite being at the early stages of development, the segment, offers a great deal of potential, because of diesel’s superior efficiency, especially over long distances.

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Carmakers' share of unit car sales (Light Vehicles) in the US, %



\* January to July 2008

Source: VDA



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