# INDUSTRY TRENDS



## COST OF CRASHES INCREASES

The cost of motor vehicle crashes cost the United States about 30% more in 1986 than it did in 1980, according to the National Highway Traffic Safety Administration (NHTSA). The total 1986 cost was $74.2 billion, up $17 billion from the 1980 cost of $57.2 billion.

While 90% of all crashes do not involve personal injury, the largest amount of money spent on crashes results from property damage—about $27 billion—NHTSA estimates.

During 1986, however, fewer people were killed or injured than in passed years. In 1980, the death toll was 51,077 and the number of injuries was approximately four million. In 1984, 46,056 people were killed in vehicle crashes and three point four million were injured.



## JAPANESE OPEN 34 U.S. PLANTS

Members of the Japan Auto Parts Industries Association (JAPIA) established 34 new plants in the United States during the last Japanese fiscal year (April 1986-March 1987). Prior to that fiscal year, only 30 JAPIA members owned manufacturing plants in the United States.

JAPIA members also established eight new facilities in Taiwan, five in South Korea and another 14 in other countries in Asia. Additionally, the Motor & Equipment Manufacturers Association (MEMA) says 34 more Japanese part makers are expected to start production in the United States sometime in 1988.

## CAR OWNERSHIP GETS MORE EXPENSIVE

The price tag for owning and operating a car rose from $4,757 to $6,637 during 1987 says the Hertz Corporation. And, while the exact figure depends on the size of the vehicle, the above mentioned cost represents an increase of between $266 and $715 over 1986.

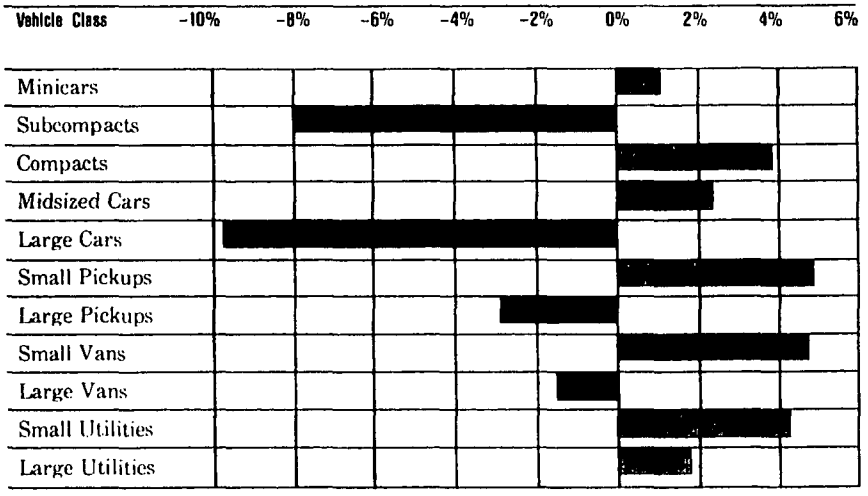
All auto expense categories caused the higher costs, including interest on loans, fuel, repairs, insurance, depreciation, maintenance, licenses, fees and taxes. The increased cost of new cars affected loan costs, taxes, depreciation and insurance.

The sticker price on an average new subcompact rose from $8,229 in 1986 to $8,875 in 1987; a compact car increased to $11,133 in 1987 from $10,396 in 1986; midsized vehicles rose to $13,573 from 1986 cost of $11,257; and, the price of a full-sized model jumped from the 1986 price of $13,896 to the 1987 price of $14,949.

Owning and operating a subcompact rose by 17.6% in 1987, costing $4,757 or $715 more than in 1986. Drivers of full-sized cars spent $6,637, up by five point three percent or $339 over 1986.

The Hertz study is based on an average of 10,000 miles of driving each year and takes into account fixed costs such as fees, interest, depreciation and interest, as well as such variable costs as gas and repairs.

**CHANGES IN SALES SHARE FROM 1976 TO 1987**




Source: U.S. Department of Energy

## TRENDS SHIFT IN CAR BUYING

The sales distribution of new cars and light trucks shifted in favor of small trucks and midsized cars over the eleven year period between 1976 and 1987, reports the U.S. Department of Energy (see chart above).

Large cars showed the greatest sales decline, going down 9.6%. The subcompact car share of the market decreased by 8.3%. The two middle car classes rose slightly, with compact cars rising 3.7% and midsized, 2.3%.

Showing the largest gain in share, in three vehicle classes, were trucks. The small pickup truck share rose 5.1%, while the small van and small utility shares went up 4.8% and 4.0% respectively.