

INDUSTRY TRENDS

RULING FOR LOWER FUEL CONSUMPTION AVERAGE

A federal appeals court recently upheld the National Highway Traffic Safety Administration (NHTSA) decision to decrease the average fuel economy standard from 27.5 m.p.g. to 26 m.p.g. NHTSA lowered the average for auto makers in 1986 as the result of protests from General Motors and Ford. The two auto makers claimed that the higher standard would have a severe economic effect upon the auto industry.

As a result of the recent ruling, the state of California, the cities of Los Angeles and New York and four citizens groups have filed a petition to request a court review.

AIR BAGS ADDED AS STANDARD EQUIPMENT

Driver's side air bags, a safety option in U.S. produced autos, will become standard equipment in six of Chrysler's 1988 and 1989 models. As the first U.S. auto maker to make the inflatable devices standard equipment, Chrysler plans to install air bags in its Dodge Daytona, Dodge Diplomat, Fifth Avenue, LeBaron coupe and convertible, and Plymouth Gran Fury models. In 1990, all U.S.-built Chryslers will be manufactured with air bags. General Motors and Ford currently offer air bags as optional equipment on certain lines. Beginning with its 1990 lines, GM plans to include the air bag as standard equipment in 500,000 cars, or roughly one-seventh of current production.

On the import side, several vehicles from Mercedes, Porsche and Acura include air bags as standard equipment.

GENERAL MOTORS DEBUTS SAFER STEERING WHEEL

General Motors announced plans to expand its safety features in 1989 models with a steering wheel designed to reduce chest injuries. Six small metal tabs at the hub allow the steering wheel to move to a position parallel with the driver's chest during a forward collision. The steering wheel will be available in certain cars without air bags, beginning with the Chevrolet Cavalier. Twenty years ago, GM developed the first energy-absorbing steering system. Today auto makers around the world use the system.



STATION WAGON SALES REMAIN STEADY

The family station wagon, a stable horse for transporting American families, continues to hold a secure market share among vehicles purchased. Throughout the 1980s, station wagons have consistently taken about 8% to 10% of U.S. industry sales, despite keen competition from mini-vans.

Based on such factors as the shrinking size of the American family, an increasing number of women entering the work force and the manufacturers' introduction of the mini-van, industry experts believed the station wagon would soon become extinct. However, 1987 station wagon sales were steady with a domestic and import total of 765,000 wagons. At the current sales level, this year's volume will be about 750,000 vehicles, with the decline being in import sales.

STATION WAGON SALES

JANUARY-APRIL

Name	1988	1987
Ford Taurus	30,045	26,575
Subaru	21,841	20,843
Chevrolet Celebrity	18,891	N/A
Chrysler	17,626	16,129
Ford Escort	14,784	17,698

Source: R.L. Polk and Company/Detroit

