

The future of the automobile industry

In some places, the car market is saturated; elsewhere, the automobile industry is booming. So what does the future hold?

1 Which factors are important to you when buying a car? Rank the following factors and compare with a partner.

- | | | |
|--|------------------------|---------------|
| • running costs e.g. fuel economy | • environmental impact | • price |
| • technological features e.g. DVD player | • style and image | • reliability |

2 Read the following paragraph headings. Make four predictions about the content of the article on the car industry.

- | | | | |
|--|--------------------------|---|--------------------------|
| (a) Toyota's Prius leads the way for hybrid cars | <input type="checkbox"/> | (c) Rising fuel curbs consumer enthusiasm | <input type="checkbox"/> |
| (b) China: the road ahead | <input type="checkbox"/> | (d) Technological innovations | <input type="checkbox"/> |

3 Scan the article and match the headings above to the paragraphs below.

Time for change? [1] Is it time for change in the car industry? 60 million cars and trucks are made every year, but in many parts of the world, the market seems to be saturated. Car sales in the US, for instance, are slowing down due to soaring oil prices and a lack of consumer confidence. Both GM and Ford are cutting production in their domestic market. US car makers are also facing intense competition from overseas companies – last year, Toyota overtook Ford to become the world's number two producer.

[2] Toyota, which led the way in 'just-in-time' manufacturing techniques, has raised its annual sales forecast. Both European sales and US sales have increased. Meanwhile, industry eyes are focused on China, where the boom continues. As new investment continues, and western companies set up joint ventures with Chinese manufacturers, the government has just forecast that the country could have 140 million automobiles on its roads by 2020 – seven times more than now.

[3] So what does the future for car makers hold? There is great interest in Toyota's Prius. This hybrid electric car has achieved sales of over 200,000, offering one possible solution for reducing polluting emissions in the future – with the electric motor running the car in slow traffic and a conventional petrol engine running the car on the open road. At some point, the car industry will be forced to take stock of the effect of the oil crisis, and consider alternative, environmentally friendly ways of powering vehicles.

[4] With interest in 'back seat' entertainment such as digital movies, it may be that technology could help turn around the car industry. 'Telematics' is making a huge impact in commercial vehicles, allowing freight companies to track the position of lorries using on-board GPS systems. So, with companies in some parts of the world stockpiling unused cars, and with congestion on the roads, change is inevitable in the car industry. The main question is: what shape will that change take?

4 Read the whole article. Check your predictions from exercise 2. Did you guess correctly?

5 Use the following expressions from the article to talk about your own company and/or the business world.

- | | | |
|-------------------------|-------------------------|--------------------|
| (a) saturated | (c) to face competition | (e) 'just-in-time' |
| (b) consumer confidence | (d) joint venture | (f) to turn around |

6 Look at the start of the two proposals for a series of measures to greatly reduce the volume of cars on the road. You are going to work in a group representing either the government or industry. In your group add three more suggestions to your proposal and prepare a short presentation. Present your ideas to the other group and discuss their ideas.

Government

to introduce tolls to enter cities
to invest greatly in public transport

Companies

to enforce car-share schemes
to invest in exploring environmentally friendly fuel alternatives