The Car Market is Evolving

by Hiteshbhoi

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Which country makes up the largest segment of car buyers in the world?

You probably guessed it. The United States. With 299,398,484 citizens (according to the U.S. Census Bureau), coupled with a better-than-decent economy, it's not surprising. But analysts predict that while demand for cars and trucks in the U.S. is unlikely to decrease, by 2025, the United States will no longer be the largest car market in the world.

Demand for automobiles has increased dramatically in countries like China as well as many other developing countries and by 2009, the Asia Pacific region is likely to become the largest car market in the world. Currently, Europe is the world's largest continental market.

Indicators predict, however, that before the end of the decade, the Asia Pacific region's demand for light vehicles will hit the 23 million mark â€“ higher than ever before. With steadily rising incomes in Asia as well as India, a whole new group of first-time vehicle owners is emerging. Americans and Canadians have already topped out in this regard, leaving these developing countries to be the forces that drive the future global market, according to spokespeople at JD Powers.

How will this affect top sellers in the U.S. market? Chances are, it won't. Americans will still drive their Isuzu Ascenders and their Ford Focuses. A thriving U.S. economy, as well as affordable lease options and payment structures, will keep Americans buying and buying often. With a median household income of over $46,000, Americans can afford to purchase or lease a new vehicle on average, approximately every four years (some of this is obviously driven by the popular 36-month lease option available with most new cars).

BusinessWeek Magazine reported that by 2010, the demand for cars will continue to dominate in the U.S., but the country's car market growth will plateau at under 17 million. In essence, it already has. In 2000, the number of light vehicles registered in the country was 17.48 million. It dropped to 17.39 in 2001 and hasn't been able to hit the 17 million mark since.

On many levels, U.S. regulations and the expectations of American consumers dictate the products offered by car manufacturers. For example, Isuzu's upgrades and superior safety features in their popular i-370 pickup truck reflect the desires of Americans to drive high-quality, safe vehicles. While some of these enhanced safety features aren't required by law, manufacturers add them to make their products more competitive in the U.S. Will consumers in Asia demand the same? It's unlikely it will matter whether they will or not. The global car market will never be able to ignore the demands of the American consumer who will continue to wield the greatest spending power.

Foreign car manufacturers rely on a segment of the U.S. car market.

While that need may decrease over time, no company with a foothold in the U.S. is will be eager to give that up. Nearly every automotive trend to date has roots tightly gripped in American soil. From the surge in popularity of the SUV, to the desire for "green" cars and hybrids, to the pickup truck iconic of Middle America, the U.S. will be a major player in foreign and domestic car sales for a long time to come.

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