

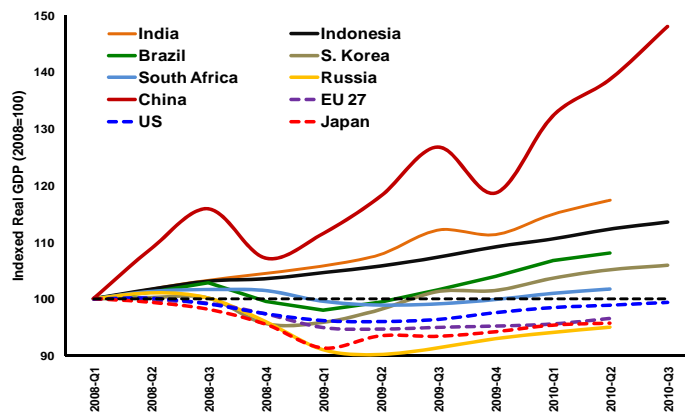
# AUTOMOTIVE OUTLOOK

Sue Yingzi Su  
Senior Economist  
General Motors

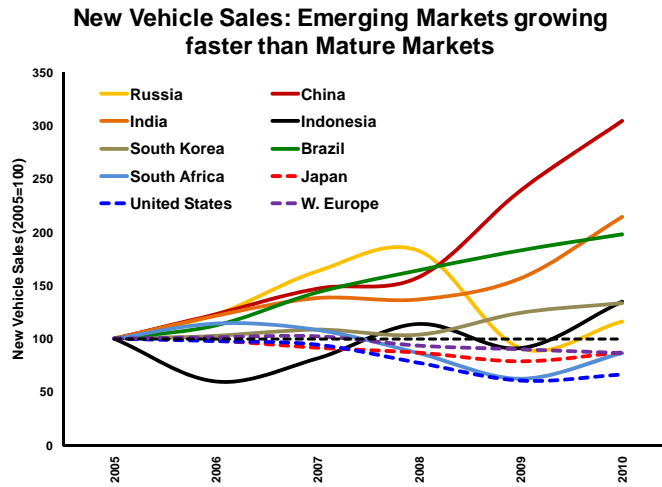
24<sup>th</sup> Economic Outlook Symposium  
Federal Reserve Bank of Chicago  
December 3, 2010

## Global economy – a two-speed recovery

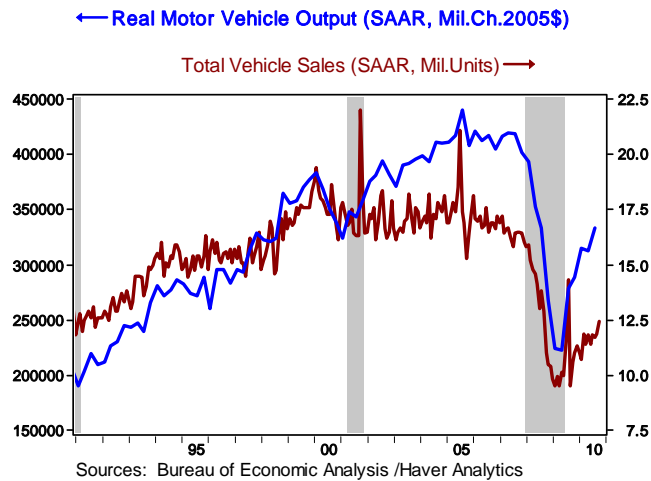
**Real GDP Growth: Emerging Markets growing faster than Mature Markets**



## New vehicle sales – a similar picture

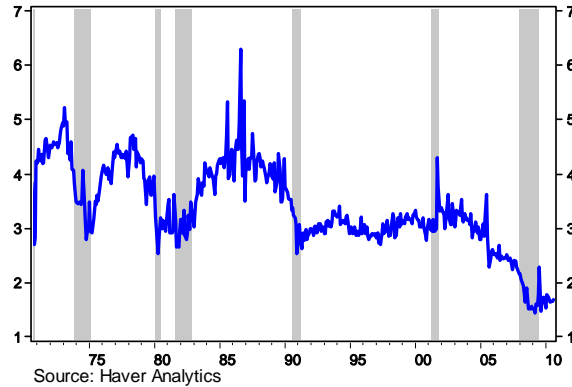


## US motor vehicle output and sales

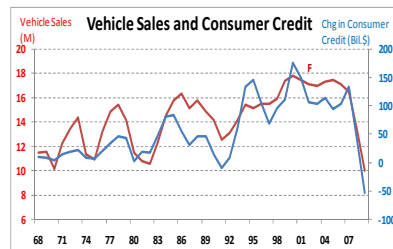
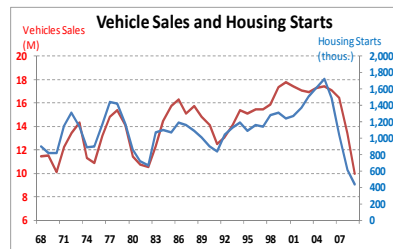
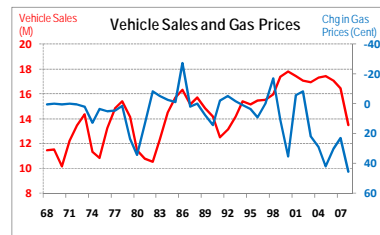
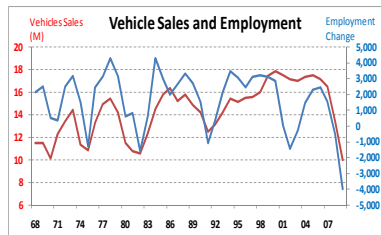


## Auto spending – remain at record low

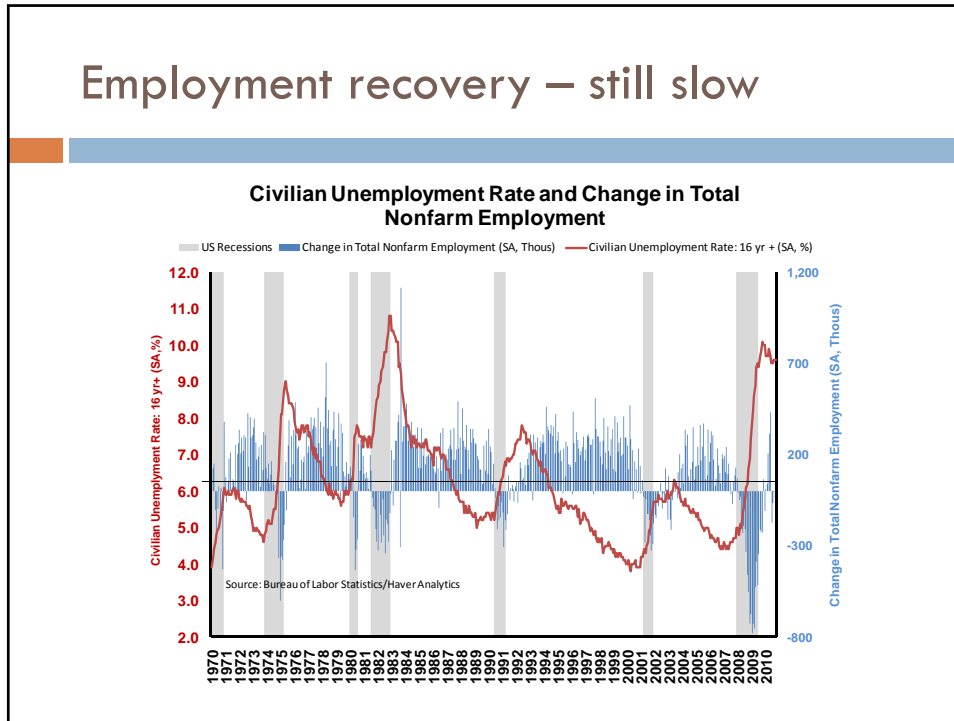
Spending on New Vehicle as % PCE



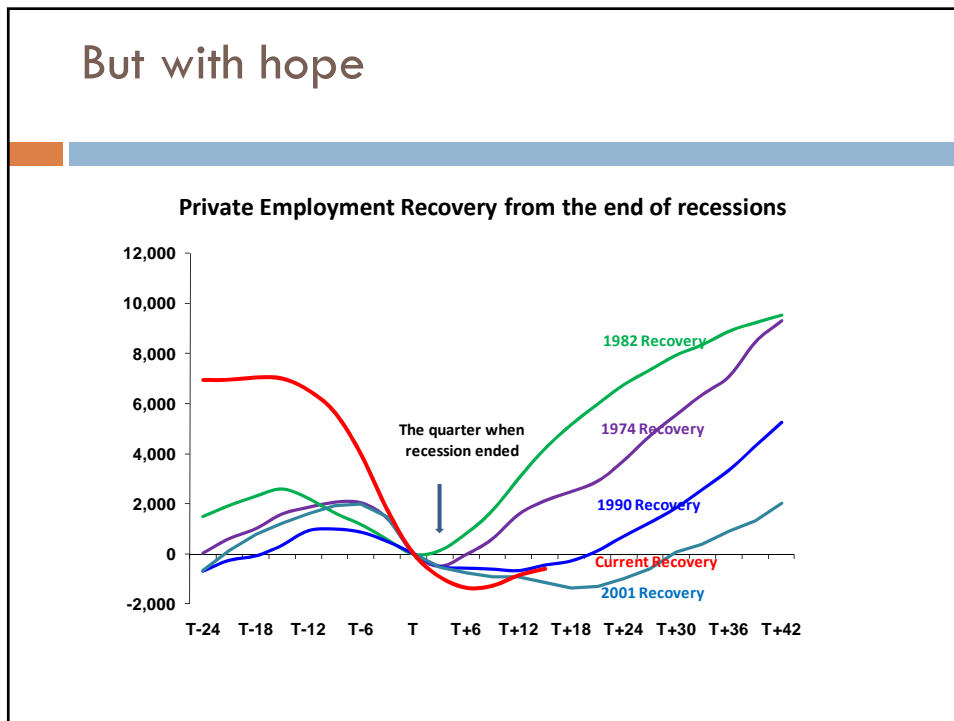
## Key drivers of auto sales



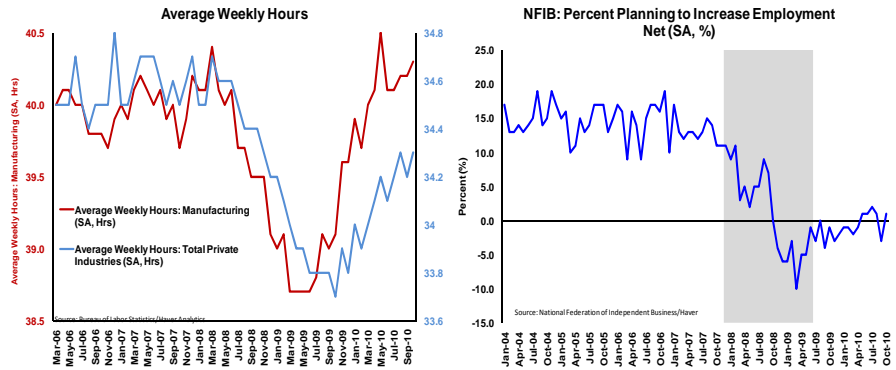
## Employment recovery – still slow



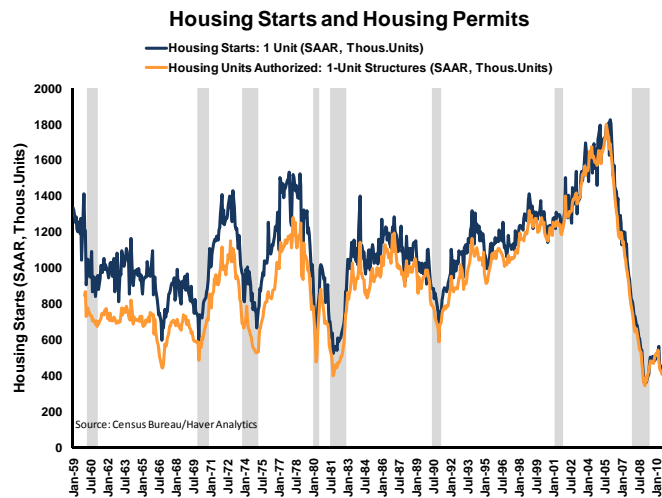
## But with hope



## There are early signs



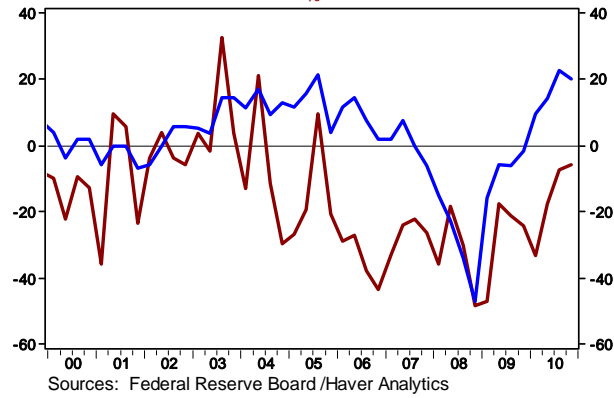
## Housing – still depressed



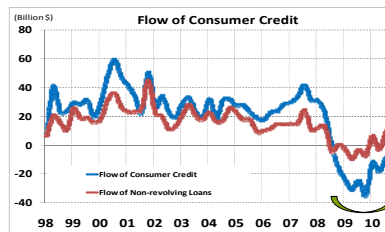
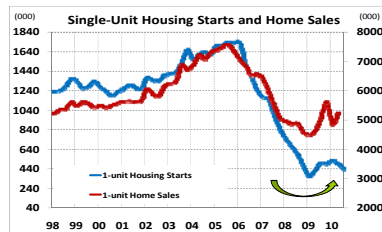
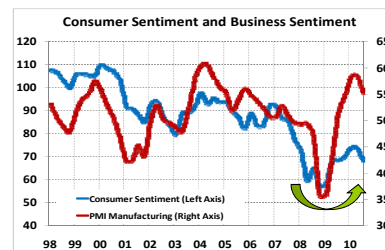
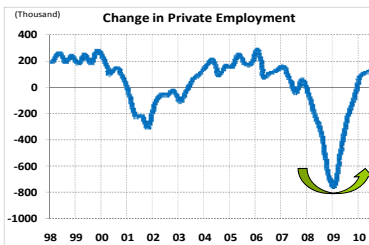
## Credit markets - in the mend

← FRB Sr Officers Survey: Banks Willingness to Lend to Consumers %

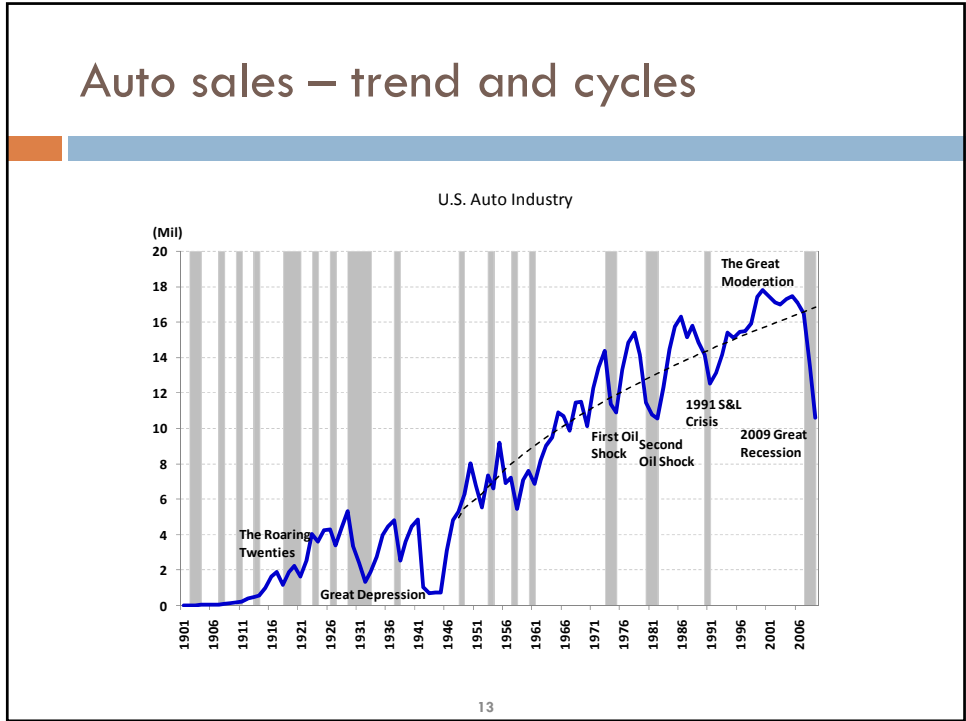
FRB Sr Off Survey: Banks Reporting Stronger Demand for Consumer Loans - %



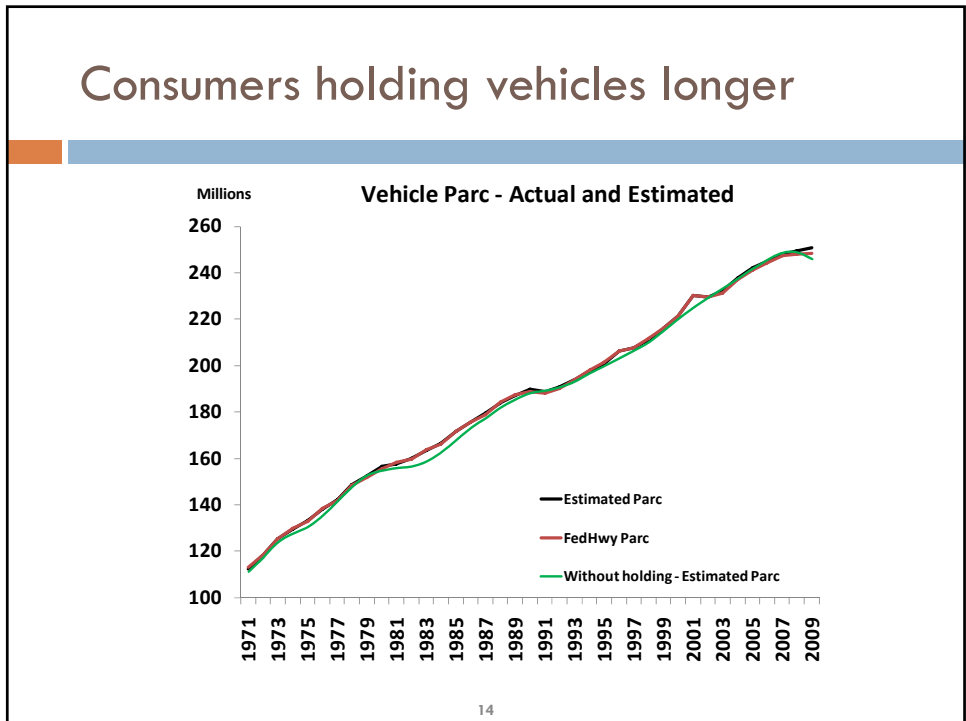
## Overall – we are turning corners



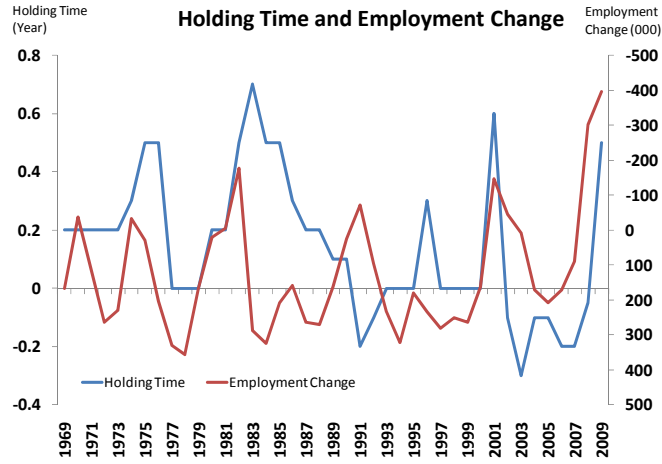
## Auto sales – trend and cycles



## Consumers holding vehicles longer

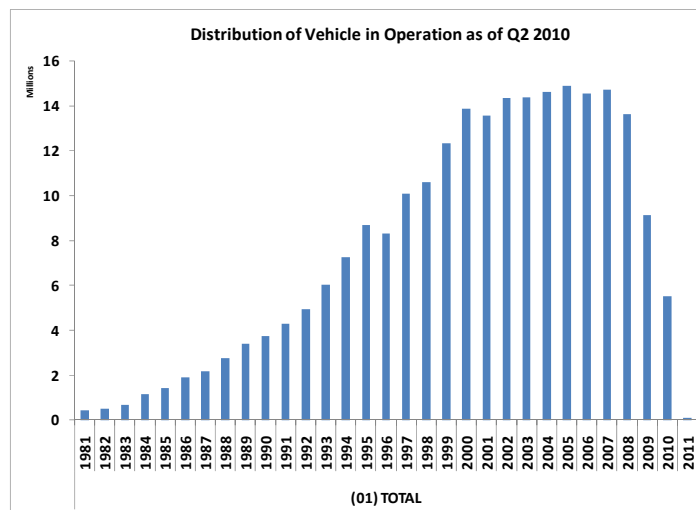


## During difficult economic times



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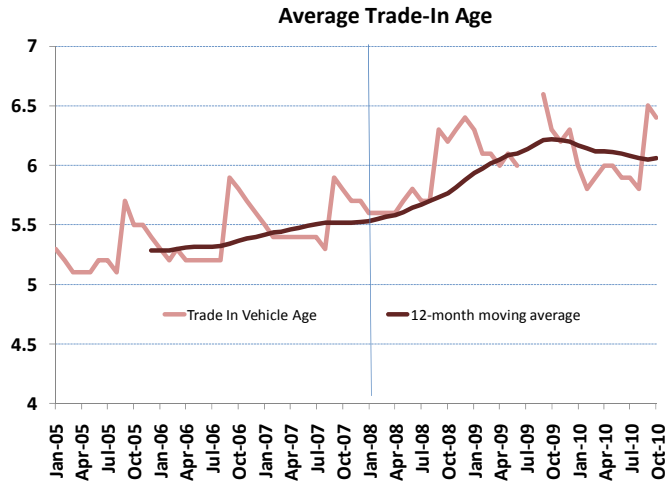
## Vehicle age - old



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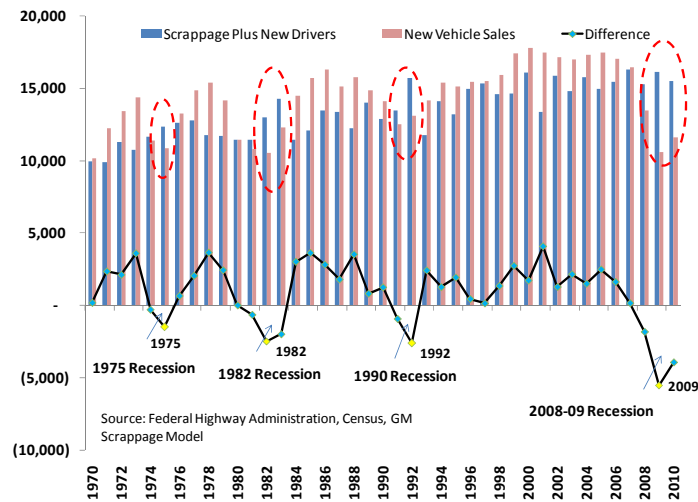


## However it seems to have peaked now



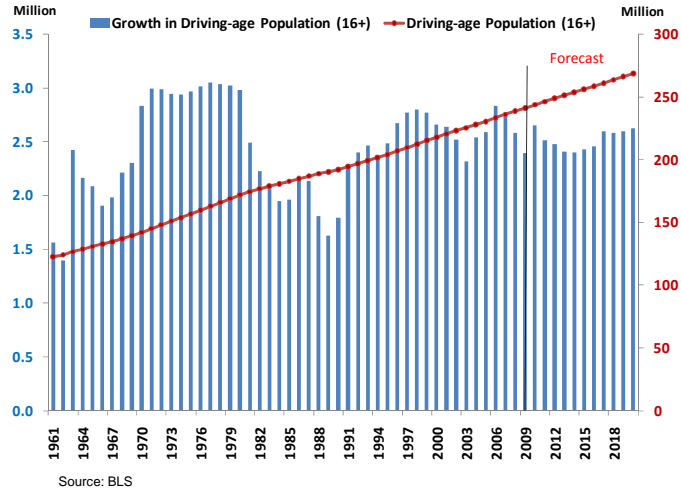
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## Pent-up demand – being built



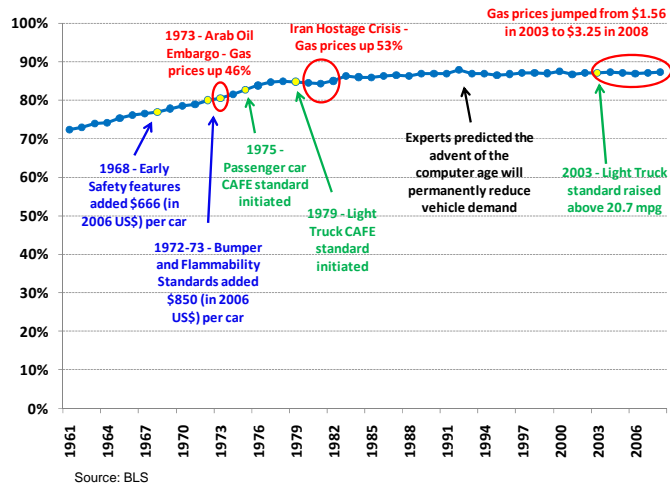
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## Population growth - steady



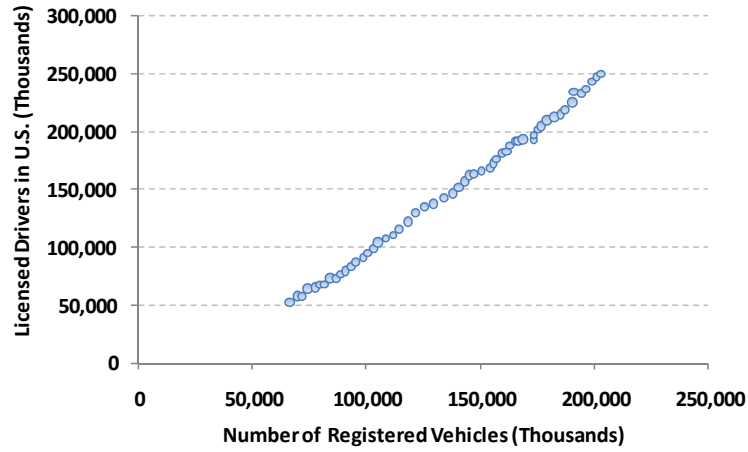
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## Share of licensed drivers - stable



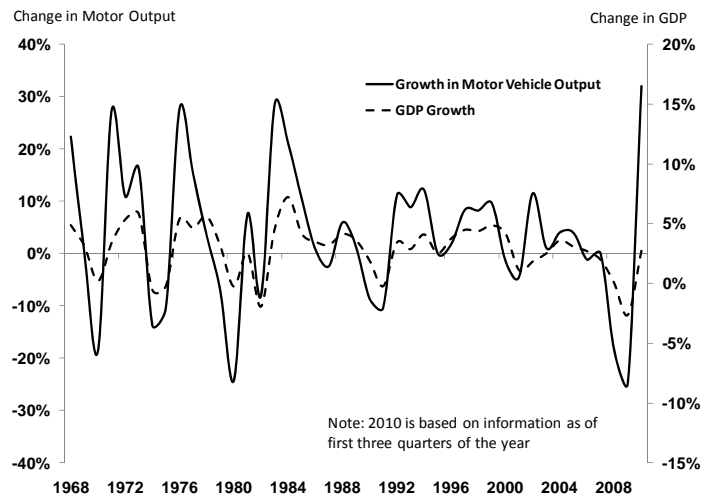
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## Historically more drivers more vehicles



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## Auto recovery - key driver of the US recovery



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