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## Slowdown signs - US car fleet shrank by 4 million in 2009

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It is reported that America's century old love affair with the automobile may be coming to an end. The US fleet has apparently peaked and started to decline. In 2009, the 14 million cars scrapped exceeded the 10 million new cars sold, shrinking the US fleet by 4 million or nearly 2% in one year. While this is widely associated with the recession, it is in fact caused by several converging forces.

Future US fleet size will be determined by the relationship between two trends: new car sales and cars scrapped. Cars scrapped exceeded new car sales in 2009 for the first time since World War II, shrinking the US vehicle fleet from the all-time high of 250 million to 246 million. It now appears that this new trend of scrapping exceeding sales could continue through at least 2020.

Among the trends that are keeping sales well below the annual figure of 15 to 17 million that prevailed from 1994 through 2007 are market saturation, ongoing urbanization, economic uncertainty, oil insecurity, rising gasoline prices, frustration with traffic congestion, mounting concerns about climate change, and a declining interest in cars among young people.

Market saturation may be the dominant contributor to the peaking of the US fleet. The United States now has 246 million registered motor vehicles and 209 million licensed drivers nearly 5 vehicles for every 4 drivers.

Japan may offer some clues to the US future. Both more densely populated and highly urbanized than the United States, Japan apparently reached car saturation in 1990. Since then its annual car sales have shrunk by 21%. The United States appears set to follow suit.

The car promised mobility, and in a largely rural United States it delivered. But with four out of five Americans now living in cities, the growth in urban car numbers at some point provides just the opposite: immobility. The Texas Transportation Institute reports that US congestion costs, including fuel wasted and time lost, climbed from USD 17 billion in 1982 to USD 87 billion in 2007.

(Sourced from Earth Policy Institute)

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