



# News Capsule



## Nebraska Autobody Association Special Automotive News Edition

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### Collision Repair Market Grows 5 Percent to \$41.5 Billion Last Year

Total collision repair industry sales grew 5 percent from 2006 to 2007 and currently stands at \$41.5 billion, according to the 2008 Collision Repair Trends: Industry Statistics & Analysis, published by the Automotive Aftermarket Industry Association (AAIA). Independent paint and body repair shops accounted for more than half of the collision repair market at \$23.5 billion. Key factors that contributed to the growth of the collision market include: Increases in the number of registered vehicles, miles driven on U.S. roads, and increased road congestion.

The Nebraska Autobody Association held two area meetings this month with Chuck Sulkala to address repairer concerns with various I-CAR issues. Meeting discussions included frank, honest and open accounts on how I-CAR can be more receptive to the needs of repairers. Sulkala will take the comments and suggestions back to I-CAR for review.

Automobile to deer collisions in Nebraska during the past five years are up over 40 percent, according to a report on WOWT.com. According to State Farm Insurance statistics one in 155 Nebraska drivers will be involved in a collision with a deer during the next 12 months.

The Nebraska Autobody Association is polling collision repair facilities to determine the most critical issues for your business in 2009. The survey includes twelve questions on key collision industry market parameters including steering, labor rates, database issues and more. Surveys will be mailed in the upcoming *Surgeons of Steel* magazine or you can take the survey online at <http://www.nebraskaautobody.com/surveys/2008/issues.htm>

Lower price of oil is one bright spot amidst increasing concerns of the effects of a global recession. For now, consumers and businesses are receiving a much-needed price break on gasoline and winter heating fuel.

Dealership showroom traffic across the U.S. has declined recently due in part to a frazzled economy and consumers who are resigned to sit on the sidelines over financial concerns. The automotive industry, which received a \$25 billion loan from the U.S. Government, may have to take additional measures to remain competitive. In the U.S., rumors of a possible merger between Chrysler and General Motors Corp continue to intensify. The National Automobile Dealers Association (NADA) is urging the federal government to implement the \$700 billion economic rescue plan as quickly as possible, said NADA Chairman Annette Sykora "If the country can break the credit freeze on Wall Street, then [dealers] can help revive the economy on Main Street," said Sykora, owner of two multi-franchise dealerships in Texas. "The rescue package is designed to free up credit markets. But it's too early to know whether the fix will work. The credit crunch on Main Street is real. Sykora emphasized that it's becoming increasingly difficult both for dealers and consumers -- even for those with good credit -- to obtain financing.

*The information in this news capsule is obtained from sources believed to be accurate and reliable but readers should consult with an appropriate business professional before acting on information contained herein. Information contained herein does not necessarily reflect the opinions of NABA, its leadership or management. Summary prepared by Norbert Zaenglein.*