

Pickups, SUVs in spotlight at 2018 Detroit auto show

January 11 2018, by John Biers



The Ford F150 Lariat truck, like other pickups, was a top seller in 2017, a trend that is expected to continue

Pickup trucks and SUVs will be among the biggest stars of this year's Detroit Auto Show, reflecting the US tilt towards larger vehicles in an era of relatively low gasoline prices.

Car sales data from 2017 [show](#) large models grabbing their biggest-ever share of the US market. Judging from the agenda of the 2018 show, which kicks off this weekend at the Cobo Center in downtown Detroit, auto manufacturers expect more of the same for a good while longer.

"They're really riding what's selling now," said Randy Miller, global automotive and transportation leader at Ernst & Young, noting that profit margins on larger vehicles dwarf those of smaller vehicles.

The most anticipated offerings include revamps of the Chevrolet Silverado and Ram 1500 pickups, the number two and three best-selling US cars in 2017 behind the Ford F-series pickups.

The show is expected to draw some 700,000 visitors in all. After the press preview, the event will open to the public from January 20-28.

The Detroit gathering comes just a few days after the giant Consumer Electronics Show in Las Vegas, which this year included numerous auto executives, who talked up new mobile-friendly gadgets and updated techies on initiatives around electric cars and autonomous transport.

"A lot of the manufacturers have geared up their future product and technology and they're showcasing that stuff at CES," said Matt DeLorenzo, managing editor of Kelley Blue Book. "Next week it'll be 'Let's get back to business and show what we're selling now.'"

Cautious mood

Analysts described the overall industry mood as cautious after US car sales fell in 2017 for the first time since 2009, dropping 1.5 percent to 17.2 million.

The industry took the decline in stride, reasoning that the years-long

boom after the 2008 financial crisis had to end one day and taking solace in the fact that sales stayed north of 16 million, still a good level.

But the decline also comes as car manufacturers continue to anxiously view ongoing trade negotiations to revamp the North America Free Trade Agreement with Canada and Mexico. Shares of GM and Ford both tumbled Wednesday on speculation that President Donald Trump will ditch the agreement.

"Manufacturers are leery about potential changes in trade policy, NAFTA, etc," said Joe Wiesenfelder, executive editor of cars.com.

Trump's Transportation Secretary Elaine Chao is scheduled to appear in Detroit over the weekend.

The Detroit show also comes only weeks after Trump signed into law a massive US tax code rewrite. Automakers applauded Washington after it scuppered a proposal to end a key tax credit for [electric cars](#).

The industry also welcomes a lower corporate tax rate, but insiders say it is too soon to know whether provisions to encourage more domestic capital spending will have much effect.

"People are not clear how it's going to affect them," Wiesenfelder said. "It's very difficult to tell at this stage what the real bottom line will be on the [tax code](#)."

Electric future?

Auto industry insiders are especially keen to get a look at the new the Ram 1500 and the Chevrolet Silverado, which with the F-150 were on track to again be the top three selling US vehicles for 2017 as of mid-December, according to Kelley Blue Book.

"It doesn't look like there's going to be a great amount of introductions, but the ones that are there look pretty significant," said Wiesenfelder.

Other new vehicles expected to be unveiled include several SUVs or larger "crossover" vehicles from Acura, BMW and Mercedes, while Ford is considered likely to revive the Ford Ranger, a midsize pickup last offered in 2011.

Expected sedan launches include a revamped Toyota Avalon, an updated Volkswagen Jetta and new products from Kia and Hyundai.

Still, sedans are clearly on the outs with many US consumers. Traditional cars accounted for just 36 percent of the US market last year, down from 50 percent in 2012, and the lowest share ever, according to Kelley Blue Book.

Analysts see other factors besides cheap gas pushing consumers to bigger vehicles.

"You feel like you're more in control of the situation, especially as there's more pickups and SUVs around you," said DeLorenzo. "You want to be tall like everyone else, rather than sitting lower in a traditional sedan."

DeLorenzo noted that the 2018 show is expected to include just one major new electric or hybrid vehicles—a new Honda Insight prototype.

"What it says is that the electric future everybody's talking about might be a little further out than what they're letting on," he said.

© 2018 AFP

Citation: Pickups, SUVs in spotlight at 2018 Detroit auto show (2018, January 11) retrieved 21

September 2024 from <https://phys.org/news/2018-01-pickups-suvs-spotlight-detroit-auto.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.