

# Auto industry

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Founded on June 6, 1925 by Walter P. Chrysler, this American automobile manufacturer had existed on between the year 1925 and 1998 and was named as the Chrysler Corporation. The corporation was born from the residuals of the Maxwell Motor Company. The first Chrysler automobile was made in the month of January of the year 1924 when Walter Chrysler made a rescue job for the Willys car company during the early 1920s. At an affordable price that the consumer might expect upon this 6-cylinder Chrysler automobile, with an advanced and being a well-engineered car, triggered the beginning of the Chrysler Corporation.

In 1926, the Maxwell Company had been rebranded and re-engineered under the name Chrysler and Walter Chrysler as the president (Answers). In 1979, the Chrysler Corporation seemed to be in the midst of bankruptcy. A gas crisis occurred during the year 1973, a great challenged the Chrysler Corporation must face. Also, the corporation's redesigned ponycars doesn't seem to catch the attention of the buyers. During these years also is the declination of the sales of the large-car and were also the times where the Barracuda and the Dodge Challenger end were spotted.

This was really a hard time for the corporation. In 1977, one of the company's branches abroad, the Chrysler Europe collapsed. A hope retained when the Chrysler Australia was sold to Mitsubishi Motors wheremoneyon hand is really a great help. Right before the Chrysler Corporation had fully recovered, the second gas crisis strikes again bringing disaster lowering the sales of the large cars and trucks of the Chrysler Corporation. At this moment of time, there would be no backbone to support the company that can save them the second time around.

The Chrysler Corporation had made a petition for a loan of US \$1.5 billion in the US government. This may be the best thing to do for the corporation not to reach its bankruptcy. That loan had guaranteed the avoidance of the corporation to bankruptcy and then the Chrysler Corporation went back to the automobile business creating innovative models such as the K-car platform and the minivan concept and fights its way back (Answers). The present General Manager and CEO of the Chrysler Corporation is Tom Lasorda. The DaimlerChrysler call out for the sale of the Chrysler to the prospected buyer.

The Canada's Magna Corporation, together with "a private equity partner" which seems to be The Blackstone Group LP, offered an amount of \$4.6 billion for the Chrysler from the DaimlerChrysler. The General Motors also showed an interest upon buying the Chrysler. In addition, Ford and Toyota are also found on the rumors as a suitor of the Chrysler. Analysts point out that Ford is out of the play because they will have to sell first their Aston Martin to get the amount of money. Toyota also is out of the floor for the reason that buying the Chrysler would cost them more millions of bucks than creating a new one.

And lately, another buyer came up. Billionaire Kerkorian made an offer of cash amounting to \$4.5 billion to buy the Chrysler (Leftlanenews). If the Chrysler was sold to General Motors, the GM would be willing to spend cash worth of \$18 billion dollars restructuring the Chrysler. Also, if the buyer was other, the first thing that would come up to their mind is the restructuring of the Chrysler itself. Section 2. Bankruptcy of Delphi and other Suppliers of

Auto Parts Bankruptcy has also come to threaten even the largest auto parts supplier of the world, the Delphi.

There is a net loss of Delphi on the first six months of this year amounting to \$741 million. Of the last year, Delphi also had a net loss of \$4.8 billion. The company's stocks have been put to on a downgraded junk status. This big loss on the net income of the company was caused by the continuous increase in the fuel prices. In addition to this, there is also a declining share of US automakers in the market that puts up too much pressure on Delphi. In 1999, GM had decided to get rid of Delphi as their major supplier of auto parts.

That is for the reason that Delphi was asking for a bailout for the company which would cost the GM an amount reaching to \$6 billion. In addition to this, GM would also have other expenses of paying for the medical and pension benefits of the workers of Delphi. Other auto parts supplier had followed the announcing their bankruptcy and has threatened the US auto industry. The effect of this bankruptcy if it happens would initiate destruction of jobs of hundreds of thousands of workers in the auto industry (Isaacs). Section 3.

### Toyota and other Large Car Manufacturer's Expansion

Toyota together with its successful in the auto industry in the land of the United States of America would probably decide of expanding the company's market. In November 13, 2006, a news item from the Los Angeles Times states that there is a leaked copy of the "global master plan" of the Toyota Motor Corporation. In the global master plan, there states that by 2010, Toyota will takeover the No. 1 selling spot in the auto industry which was owned by General Motors at this time. Also included on the global master

plan was the aim for the 15 percent target of the company on the world car market by the year 2010 (Channel).

Toyota Motor Corporation would plunge to Russia, India, China and Brazil markets as confirmed by the company. Their reason; helping in the rapid global expansion of fuel. Together with their expansion on the other part of the world, with their quest of being the “ King of the Car World”, are the auto suppliers clinging to their wheels on their way there. It is simply for the reason that, in the place where the big consumer (of auto supplies) is (Toyota and other car manufacturers), there would be the presence of the suppliers that will feed their needs. References Answers. " Chrysler". 2007.

April 8 2007. . Channel, The Auto. " Leaked: Toyota's " Global Master Plan" Calls for 15 Percent Worldwide Share by 2010". 2006. April 9 2007. . Isaacs, Jerry. " Delphi Demands Unprecedented Wage Cuts from Us Auto Workers". 2005. April 9 2007. . Leftlanenews. " Billionaire Kerkorian Makes Offer to Buy Chrysler Group". 2007. April 8 2007. .