The estimates in Table 4 indicate that by 1988 North American automobile producers are expected to lose approximately 1.9 million units of sales to offshore imports and offshore companies production capacity based in North American despite modest growth in the North American market during this period.

TABLE 5

NORTH AMERICAN (CANADA & U.S.) AUTOMOBILE DEMAND AND PRODUCTION CAPACITY (MILLION UNITS) BY MARKET SEGMENTS 1988

	Market Size (1)	N.A. Capacity (2)	Imports & F. Capacity (3)	Excess Capacity (4)	Excess Capacity as % of Domestic Capacity (5)
Sub-Compact	3.93	1.80	3.08	.96	53.3
Compact	2.07	1.50	.88	.31	20.7
Sporty	.87	0.65	.35	.13	20.0
Large	5.32	5.05	.79	.52	10.3
Total	12.19	9.00	5.10	1.92	21.3

Source: DRI & DRIE

Note: Excess capacity = Col. 2 + Col. 3 - Col. 1

Depending upon market growth most of the excess capacity will be in the small car segment with more modest excess capacity in mid-size automotive production as a result of increased imports and the sales of United States built Japanese cars. Most of this over-capacity is located in the United States and at least in the next two years the decline in production and employment is likely to