

# Car Hire Firms: Higher Rates in 2010

The price of a rental car is very unlikely to drop next year despite the drop in rental days this year. The normal story entails a drop in car rentals per day leads to a drop in the cost of hire cars. Many companies that use fleet cars usually use this time of year to hedge their bets and see what other providers can offer them in the way of a better deal. This year and next seems to be a little different though as the hire car business is not dropping prices. They have stayed steady now for the past few years and are thought to be looking to possibly increase the rates for next year.



The increase in the demand for car hire this year has been widely reported and if the forecasts are to be believed, we're unlikely to see a drop in prices any time soon. It has been claimed that many corporate customers of car hire firms will stick to their current provider in the coming year in order to benefit from repeat hire offers instead of starting all over again with another company.

These predictions have been made by the president of Abrams Consulting Group, Neil Abrams who specialises in car hire. He went on to add that car hire businesses have been affected differently by this recession as opposed to previous ones as the industry has been left largely undamaged by the economic downturn.



Mr Abrams credits the companies themselves for this saying that good financial management and cost-cutting strategies have been successful in keeping rates stable. He also added that the sensible pricing by car hire firms has enabled them to weather the storm and discounts and special offers have in fact attracted customers as many people opted for a “staycation” this year taking their holidays in the UK.

But as the green shoots of recovery start to appear bringing with them a glimmer of hope for a return to normality, experts predict that some car hire companies could increase their prices in order to capitalise on the economy’s return to form. Discounts and special offers on car rental schemes are likely to be a thing of the past as we enter into 2010.



### **US Car Rental Companies Shift to Foreign Brands**

Car Hire companies in the US are adding more foreign-manufactured cars to their fleets than ever before. Between February and July 2009, 48.8% of cars to become part of rental fleets were produced by Ford, Chrysler or General Motors, compared with almost two-thirds at the same time last year, according to Automotive Fleet magazine. About 8 in 10 vehicles sold to rental companies came from local manufacturers, but now the big three rental companies, Avis, Hertz and Dollar Thrifty are increasingly adding foreign names like Hyundai, Kia, Toyota and Nissan to their fleets. This change shows how domestic automakers are losing to their foreign competitors, and how car rental companies are tightening their belts and dealing with slimmer profits as the travel industry is by the recession.

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