

This paper makes projections of the growth in the car and total vehicle stock to the year 2015, for OECD countries and a number of developing economies, including China, India, and Pakistan. The projections are based on an econometrically estimated model that explains the growth of the car/population ratio (“car ownership”) as a function of per-capita income; a similar model is used for vehicle ownership. The model estimations are based on annual data for 26 countries over the period 1960-92; it is the first study to include countries covering the full range of income levels, from lowest to highest. The models are dynamically specified, so that short- and long-run income elasticities of car and vehicle ownership are estimated. These income elasticities depend upon per-capita income, ranging from about 2.0, for low- and middle-income levels (that is, ownership grows twice as fast as income), down to zero, as ownership saturation is approached for the highest income levels. The similarities and differences among countries are embodied within the model specification, and the implications for the projections are analyzed.