



HOLDEN



The 2005 Holden Efijy (pronounced *effigy*) concept car

Owned by: General Motors

Current situation: Holden builds no vehicles; it's just a brand. All of its models are made by overseas companies owned by, or associated with, General Motors. Holden badges are glued to these cars as they leave their factories.

Holden lost money for most of the last decade, but has bounced back since it stopped building cars in Australia.

Chances of survival: uncertain.

Holden's owner – General Motors – lost \$3.9 billion in 2017 after the sale of its loss-making European operations. GM's operations in USA and China are currently profitable, but vulnerable to economic downturn.

The Holden brand will continue in Australasia as long as there is consumer demand for it, but Holden sales have been dropping for years. Decades of lousy models and lousy customer service may ultimately condemn Holden as a brand •



A brief history of Holden

JAMES ALEXANDER HOLDEN, an Englishman from a long line of leather workers, went into partnership with Henry Frost in 1885. The Holden & Frost partnership boomed with the start of the Boer War, supplying leather equipment to the colonial soldiers.

With the advent of the motorcar the Holden & Frost catalogue grew to include motoring accessories. From there, it was an easy adaptation to begin custom building car bodies; they knew coachwork well and had a massive industrial complex at their disposal.

By 1923, demand exceeded supply. Holden & Frost were making bodies for Austin, Buick, Chevrolet, Dodge, Dort, Durant, Essex, Fiat, Ford, Hillman, Hupmobile, Morris, Overland, Singer and Studebaker.

General Motors set up in Sydney in 1914 and was soon Holden's biggest customer. However, in 1929, the American stockmarket crashed, leaving the entire global motor industry in trouble, Holden along with it. General Motors bought Holden outright in 1931 for £1,111,600.



In 1944, Holden put in the formal request to begin Aussie car production. Reluctant approval was given by GM, but only if the parent company didn't have to fork over any dough. The Australian Labor government assisted with arranging finance and GM had an unused prototype car – the 195-Y-15 – sitting gathering dust, which was used as the basis for the new Holden. The car hit the market in late 1948 and, despite feeble electrics, terrible handbrakes, and rear springs that frequently broke, the FX Holden was always going to be a winner.



Here's why: the only real rivals were tiny English cars, hopeless in the Aussie outback, and the Holden arrived at a time when Australians were developing a sense of their own national identity.



The Holden, at least in name, was an Aussie car. Also, the Holden was surprisingly economical and reliable for its time. Further, the Holden engines could out-accelerate virtually anything on the road and yet still go 80,000 miles without overhaul – quite

a feat in those days. Lastly, after years of war rationing, the entire market was starved for cars and demand often exceeded supply.

Holden sales went through the roof. By 1953 Holden had caught up with demand and the new model, the famous FJ, was released.



The first Holden station wagon, the FE, followed next year, followed by the FC in 1958. By this time Holden had almost 50% of the total Australian market.

However, as years went by, industrial strife and the rise of the Ford Falcon, nibbled away at Holden's profits. The HQ Holden, first released in 1971, was arguably the last of the great old-style Holdens.

The fuel shock of 1973-74 left Holden high and dry. With an ageing vehicle fleet and little to offer in the way of fuel economy, Holden was in big trouble.

The geeks rushed back to their drawing boards and a new 'fuel-economic' Holden Commodore hit the market with an undeserved splash in 1978.



Ironically, after a multi-million dollar research and development project, the new Commodore wasn't even particularly fuel-economic.





Commodore sales hit an all-time low in 1983. By the mid-'80s Holden was in deep financial trouble once more.

With backing from the government and GM, Holden gradually burrowed itself out of the hole by designing and building a succession of reasonably successful Commodore models.

However, Holden couldn't make a longterm profit from its Australian factories. The only reason they stayed open was because the Australian taxpayer forked over tens of billions in subsidies.

The alternative was the loss of an iconic industry – and a major Australian employer.

For decades, successive governments paid up meekly, but this loss-making venture couldn't go on forever. Thus, in 2013, Holden announced that it would cease Australian manufacturing in 2017.

So, after 2017, 'Holdens' are simply Suzukis, Daewoos and Opels, with Holden badges glued on •

