It's the end of the road for Hummer

A deal to sell off GM's gas-guzzling monster machines has fallen through – and their prospects are looking increasingly bleak.

By David Usborne | Thursday 25 February 2010 | 0 comments

They sprang up all across the suburban landscapes of America,
like futuristic sties for an otherworldly species of giant pig; and now, it seems, they are to be closed up and abandoned for good. The giant, vaguely militaristic pigs in question are also known as Hummers; and they didn't eat at a trough, but guzzled petrol.

There was a time when the greed of the Hummer didn't bother many people. Its fans liked it precisely for the unabashed obesity of its styling. But it doesn't take a social scientist to realise that in these greener, poorer days, obesity spells obscene; the Hummer has become garish and anachronistic. Its demise was all but guaranteed.

Not everyone, therefore – excepting, of course, the dealers now cowering in their huts – will be dismayed by the news that the attempts by General Motors to sell its Hummer operations to a Chinese heavy equipment outfit called Sichuan Tengzhong Heavy Industrial Machinery has fallen through. If the Hummer badge is synonymous with pre-recession days of boastful profligacy, perhaps it is better that it is left to die anyway.

The Chinese signed a preliminary deal last June when GM was emerging from bankruptcy. (Thank you, American tax-payers.) It would pay a paltry sum – just $150m (£98m) – but would continue Hummer operations, becoming the first Chinese manufacturer to set up shop on US soil. But on Wednesday, both sides said the deal was off. No reasons were spelled out, but GM said it would start winding down its Hummer range forthwith.

Blame Arnold Schwarzenegger and his one-time testosterone-terminator instincts (before, at any rate, he became a green-minded governor of America's most environmentally conscious state) for the whole sorry saga of the Hummer. It was he who persuaded a military contractor, AM General, to turn out a civilian version of the off-road Humvee they were already making for the US Army in the late-1990s. General Motors was then foolish enough to buy the marque.
For a while, though, it did not seem so foolish. Arnie was not the only star to buy in to the concept: so, too, did such celebrated names as Paris Hilton and Chris Eubank. Petrol was still cheap, and there were enough drivers in America and abroad for whom cars doubled as toys for grown-ups. Having one was about status. Get in my way, the Hummer seemed to snarl, and I will crush you like a bug on the tarmac. Never mind if I don't fit down half of London's streets! Look at my shiny chrome grill, chomping like teeth. No, don't touch, because the chrome is really plastic.

It helped in the post 9/11 days that Hummer drivers were somehow more patriotic than the rest of America. There was room to bundle Osama, Saddam and the occasional Congressional Democrat in the back seat if you happened to come across them as you swung into your local shopping mall, scattering pedestrians before you.

The early success emboldened GM, which, among other things, starting urging dealers to build those distinctive salesrooms for brand continuity. It added the slightly smaller H2 model to its original Hummer that was coming off the production line in Shreveport, Louisiana, and even began a second line in Port Elizabeth, South Africa, for the fast-accelerating overseas market. A mild case of collective guilt about the ghastly consumption numbers for the Hummer crept in and GM toned it down a little more with the H3 model.

How gluttonous are these porkers? Very. On account of their weighing around 5 tonnes, they consume about a gallon every 15 miles. The sinkhole that finally swallowed the Hummer came in summer 2008, when petrol in the US hit $4 a gallon (astronomic by American standards). Owning them suddenly seemed like a ridiculous indulgence. Even Arnie expressed some chagrin about his past love for them.

At the peak of the brand's success in 2006, in those heady days
when Madoff and Lehman were not swearwords, GM sold 70,000 Hummers worldwide. In December last year, they managed to palm off just 325 of them, down 85 per cent from the same period a year earlier.

The word is that the Chinese had to pull out of the deal they had initialled with GM so many months ago because they never got the necessary backing for the purchase from the central government in Beijing, and consequently the banks wouldn't lend them the money they needed for it. You might wonder, though, given those sales figures, whether it was more a premature case of buyers' remorse.

Declaring Hummer in rigor mortis may be premature. There were reports last night that two last-minute offers had come in the hope of capturing the brand on the cheap. While GM had already stated that it will immediately start the wind-up process – only a few thousand remain in stock and no more are being made – second chances do happen. GM said it was giving up on trying to sell Saab last year and then, at the last moment, a Dutch company stepped forward and bought the marque after all. But few analysts now see much hope for that happening with out-of-style Hummer.

Besides, GM probably has little patience for more dickering with Hummer. As it struggles to restructure and return to profitability – a process that may be helped by the deus ex machina of Toyota's accelerator pedal problems – it has already closed with very little ceremony both Saturn and Pontiac.

Why would executives in Detroit want to be further distracted by disposal deal-making that may go wrong again? Saab was exhausting enough but worse was the fiasco of the decision to sell the Opel unit in Germany, which also comprises Britain's Vauxhall group, which was then reneged upon. Losing all that European capacity suddenly looked like less of a good idea. But
probably it is time to let Hummer roll over, gasp and expire.

So owners, dealers and other remaining enthusiasts (including the production workers in Louisiana) should probably start mourning. "It is a great, great vehicle that really does anything you want it to do," Danny Hill, a Hummer dealer in Texas, told the New York Times. "It had a great concept to it. It's a real shame that it's going away, because the people who own Hummers, they just love them."

Environmentalists took a different view. "Closing Hummer simultaneously improves the health of GM, China and the planet," said Daniel Becker, director of the Safe Climate Campaign at the Centre for Auto Safety in Washington. "Hummer should rest in pieces."

**In numbers: Hummer's demise**

70,000 Number of Hummers sold worldwide in 2006

265 The number that sold in January this year

15 miles The distance a Hummer can travel on one gallon of petrol. Some models of Volkswagen Golf can travel as far as 75 miles on the same quantity

5 tons Weight of the largest Hummers

$63,000 Typical price of a 2009 Hummer H2

3,000 Number of employees facing redundancy with the demise of the brand

2,500 Hummers remaining unsold in 153 US dealerships

8 Number of Hummers that Arnold Schwarzenegger owned when he decided to give up his fleet in 2006. The collection was valued at more than $950,000
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