

U.S. Car Sales Hit Double-Digit Increase In March

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DETROIT (AP) — U.S. sales of cars and trucks are expected to rise at a double-digit rate in March as worries about higher gas prices and supplies of Japanese cars prompted some shoppers to buy new, more fuel-efficient vehicles.

The number of new vehicles sold likely rose 17 percent to 1.24 million, compared with a year earlier, according to Edmunds.com, continuing a string of increases. Automakers will release sales results starting around 11 a.m. EDT Friday.

In February, sales jumped 27 percent, as dealers offered discounts and other promotions to offset what is normally a slow month.

In March, small cars are expected to get a big boost because of higher gas prices. J.D. Power and Associates predicts that nearly a quarter of vehicles sold to individual buyers were compact or subcompact cars. That is the highest amount since the Cash for Clunkers program encouraged people to choose more fuel-efficient models in the summer of 2009.

The national average for a gallon of gas hit \$3.58 this week, the highest price ever for this time of year. Gas prices have jumped 25.1 cents per gallon in the past month.

Some buyers also may have jumped to buy cars that are made in Japan, such as Toyota's Prius and Honda's Fit subcompact, figuring that shortages will hit in the coming weeks because of a March 11 earthquake that has interrupted production. Toyota resumed production of the Prius this week, but some U.S. dealers have already sold out of the popular hybrid.

Still, many dealers had several months' worth of inventory for most vehicles, and Japan's disruptions were expected to have a limited effect on U.S. sales.

One factor expected to curb March sales is lower discounts. General Motors Co. and Toyota Motor Corp. both made big cuts in the deals they were offering compared with February. Auto pricing site TrueCar.com said discounts offered by automakers hit their lowest level since 2007.

Sales of new cars and trucks have risen steadily since hitting 30-years lows in 2009, when the recession sapped demand. Annual sales reached 11.6 million in 2010 but remain far below the levels hit in the middle of last decade, when they topped 16 million a year.

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