

U.S. Auto Sales Look Strong In November

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DETROIT (AP) — People are finally replacing the cars and trucks they held on to during the economic slump, giving a boost to U.S. auto sales in November.

Chrysler, Ford and Nissan were among the companies reporting double-digit gains from last November, which is normally a lackluster month because of colder weather and holiday distractions. This November, buyers were lured by good deals, improving confidence in the economy and the need to trade in older cars.

"Consumers are just starting to say 'it's time to start spending money again,' " says Larry Dominique, executive vice president of data for the TrueCar.com automotive website.

Several analysts expect last month's U.S. sales pace to be the fastest in more than two years. They project the annual rate for November to range between 13.3 million and 14 million cars and trucks after carmakers finish reporting new vehicle sales Thursday. That's a far better rate than the 12.6 million through the first 10 months of the year.

Sales could even approach the 14.1 million annual pace from August of 2009, when the government offered big rebates for drivers to trade in their gas-guzzling clunkers.

Automakers have expected sales to improve as people who held on to cars during the economic downturn finally return to the market. The average age of a car on U.S. roads is a record 10.6 years, according to Polk, an auto industry research firm. And the rate of cars that are scrapped has surpassed sales for several years.

"There were a lot of people that waited quite a bit of time to get a vehicle," says Ryan LaFontaine, whose Michigan car dealer chain sells 16 foreign and U.S. brands. He said commercial truck sales were strong during the month.

Chrysler Group LLC's sales rose 45 percent from a year earlier. They were led by the Jeep Compass small SUV, which had a nearly ten-fold increase in sales. Jeep brand sales rose 50 percent, while Chrysler brand sales nearly doubled on strong demand for its 200 and 300 sedans. Chrysler raised its incentives to nearly \$3,300 per vehicle, up 6 percent from October.

At General Motors Co., buyers snapped up small cars and pickup trucks. Sales of the Chevrolet Cruze compact rose 54 percent, while the Silverado pickup, GM's top-selling vehicle, saw sales jump 34 percent.

"We are seeing a broad spectrum of customers return to the market," says Don Johnson, GM's U.S. sales chief. GM's overall sales were up 7 percent.

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Ford Motor Co.'s sales rose 13 percent, fueled by the new Explorer SUV, whose sales more than tripled over last November. Sales of the Escape, which Ford is replacing next year, were also strong.

The increases reflect improving consumer confidence, which rose to its highest level since July last month, according to the Conference Board. October's number was the lowest since the recession.

Attractive leases also spurred sales. Dealers offered good terms because low interest rates and high used-car values make leased vehicles worth more when they're returned. GM, for instance, is offering a Cruze lease at \$169 per month for 39 months.

According to TrueCar.com, an auto pricing site, the average industry spending on incentives such as leases and low-interest loans was \$2,534 per vehicle in November, up 2.5 percent from October.

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