January Sales Down For GM, But Industry Is Up

Dee-Ann Durbin, Tom Krisher, AP Auto Writers

DETROIT (AP) — Chrysler's January U.S. sales jumped 44 percent over a year ago and Ford's rose 7 percent, kicking off what is expected to be a strong year for auto sales.

But General Motors reported a 6 percent decline for the month Wednesday, saying demand for its trucks and crossovers fell when compared to its strong sales a year ago. GM also offered fewer discounts than it did last January.

Industry analysts are expecting industrywide sales to be up around 7 percent for January, to begin what is expected to be the strongest year for the industry since the recession. Jesse Toprak, vice president of industry trends for TrueCar.com, said U.S. demand continues to grow at a steady pace as the economy improves.

"For the first time in several years, we are starting the year off with a warm and fuzzy feeling," Toprak said.

One reason car sales are improving is that buyers have no choice but to replace aging vehicles. The average age of a vehicle in America has reached a record 10.8 years. Low interest rates and greater loan availability also spurred demand in January.

Chrysler Group LLC said its Chrysler, Dodge, Jeep and Ram brands combined to give the company its best January tally in four years. It led the way with an 81 percent increase, and the company attributed much of its gain to sales of sedans.

Chrysler sold 7,007 200 midsize sedans last month, more than eight times the number it sold in January of 2010, a poor month for the company. In addition, the Chrysler 300 large sedan saw sales rise almost quadruple over a year earlier.

Ford said it saw strong demand for small cars and SUVs. Sales of the Ford Focus compact car were up 60 percent over last January, while sales of the Ford Escape small SUV were up 24 percent. Ford is replacing the Escape with a new version later this year, and sales have been strong for months.

GM said its car sales were up 13 percent, led by the new subcompact Chevrolet Sonic and the Chevrolet Cruze. But the company saw weaker sales of crossovers like the Buick Equinox and GMC Acadia. Pickup truck sales also fell 6 percent.

Sales of the Chevrolet Volt electric car nearly doubled to 603. GM announced early in January that it will retrofit existing Volts to make them less prone to fires after a severe crash.

Not all trends are encouraging for industry sales. Consumer confidence fell in

January after two straight months of big gains as Americans worried about incomes, gas prices and business conditions. Unemployment is at its lowest level in nearly three years, but it's still 8.5 percent.

"Overall, the economy's not in a good place yet, but I think consumers are reacting to the conditions much more favorably than expected," said Jeff Schuster, senior vice president of forecasting for LMC Automotive, an industry consulting company in Troy, Michigan.

Source URL (retrieved on *10/20/2014 - 8:03am*):
http://www.impomag.com/news/2012/02/january-sales-down-gm-industry