

## **U.S. Auto Sales On The Rise**

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The Associated Press

DETROIT (AP) — General Motors Co. said its U.S. sales rose 16 percent in June on solid demand for small and midsize cars.

Sales of the Chevrolet Volt electric car more than tripled over June 2011, to more than 1,700. GM also saw double-digit sales increases for the Chevrolet Malibu and Buick LaCrosse midsize cars.

Sales of the Chevrolet Cruze small car were down 24 percent. The Cruze surged in popularity last year when Japanese cars were unavailable after the earthquake. But GM made up for some of that volume with strong sales of its new Chevrolet Sonic subcompact.

GM's best-seller, the Silverado pickup, was up 3 percent as housing construction continues to recover. GM said all truck and SUV sales were up 11 percent.

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NEW YORK, July 3 (Kyodo) — Toyota Motor Corp. said Tuesday its monthly new car sales in the United States saw a growth of 60.3 percent from a year earlier to 177,795 units in June.

Also on Tuesday, General Motors Co. of the United States said its new car sales in June grew 15.5 percent from a year earlier to 248,750 units.

The Japanese automaker, badly hit by parts supply disruptions stemming from the March 2011 disaster in Japan, struggled in sales but has been on a full recovery path from early this year, securing a double-digit growth for May as well at 87.3 percent.

With gasoline prices hovering high, the company's fuel-efficient models, such as Prius hybrid cars and compact vehicles, seem to have had a strong demand in June.

Meanwhile, GM said its June vehicle sales stood at a highest level since September 2008. The automaker had a strong demand for rental cars and other vehicles for corporate clients.

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DETROIT (AP) — Ford Motor Co. says its U.S. sales rose 7 percent in June on strong demand for the new Escape SUV.

Sales of the new Escape, which debuted last month, were up 28 percent. Ford said the Escape had its best month ever at 28,500 sold.

Ford also saw strong sales for its Explorer midsize SUV, which was up 35 percent.

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But small cars were weaker than June 2011, when Ford gained some sales while its Japanese rivals struggled after the earthquake. Sales of the Fiesta and Focus small cars were both down from last year.

Ford's best-seller, the F-Series pickup, was up 11 percent as housing construction recovers.

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DETROIT (AP) — Chrysler's U.S. sales rose 20 percent in June on strong demand across its lineup, from the tiny Fiat 500 to the Ram pickup truck.

The automaker's sales increase last month was in line with expectations for overall industry growth of about 20 percent over last June. Sales were weaker last year because the Japanese earthquake depleted supplies. Other automakers report sales later Tuesday.

Demand for Chrysler's Ram pickup — its best-seller — increased 12 percent as home building perked up. Cars saw much bigger increases. Sales of the Fiat 500 and the Chrysler 300 large sedan more than doubled over last June.

The pace of U.S. sales is cooling somewhat from the start of the year. Earlier this spring, sales were on track to reach 14.5 million this year. The pace dropped to 13.8 million in May and is expected to stay below 14 million in June.

But so far, carmakers aren't panicking.

They say underlying demand remains strong, and new models like the Ford Escape and Dodge Dart — which both arrived in dealerships last month — will draw out buyers. Chrysler sold 200 Darts last month.

"Although this softer sales rate may persist over the next few months, we believe that 2012, like 2011, will finish out strongly," Barclays analyst Brian Johnson wrote in a recent note to investors.

Sales in the first four months of this year were boosted by mild weather and the post-earthquake return of Japanese inventories. But since then, the economic picture has gotten cloudier. In June, employers scaled back hiring and manufacturing shrank for the first time in nearly three years. Consumer confidence — which needs to be strong for buyers to invest in new cars — fell for the fourth straight month.

The news isn't all worrisome. If sales come in at 13.8 million for the year, they would still be stronger than the 12.8 million in 2011. And they'd be much stronger than the 30-year low of 10.4 million during the recession in 2009.

There continues to be a lot of demand from buyers who bought cars in the middle of the last decade and need to replace them. Annual sales hit a high of 17 million in 2005, and those cars are now seven years old.

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Low interest rates and better credit availability could also lure buyers. The average interest rate on a 60-month new-car loan is now 4.5 percent, down from 6.98 percent two years ago, according to Bankrate.com.

"The affordability of cars is probably at an all-time high," Chrysler Group sales chief Reid Bigland said last week.

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