Ford Europe Sales Fall As Economy Struggles

The Associated Press

DETROIT (AP) — Ford Motor Co.'s problems in Europe are worsening thanks to the region's faltering economy.

The Dearborn, Michigan-based company said Thursday that auto industry sales in the region through July were the lowest in 17 years as automakers battled for sales in a declining market.

Ford sold 83,100 vehicles last month in 19 European countries, down 12.3 percent from a year earlier. For the first seven months of the year, sales were down 10.6 percent. Total industry sales fell 7.1 percent through July, the lowest level since 1995, Ford said in a statement.

Most automakers are losing sales in Europe as buyers fight shy of making big purchases while the region's economy continues to slow.

The latest economic figures show that Europe is edging closer to recession, dragged down by the crippling debt problems of the 17 countries that use the euro. Europe's stumbling economy is making it harder for other economies around the world to recover and policymakers are trying to reach agreement on more decisive action to deal with the debt crisis to restore confidence to the global economy.

Along with Ford, automakers including General Motors, PSA Peugeot Citroen and Fiat are losing money in Europe and are trying to restructure operations to cut factory capacity and staff levels as the economy continues to slow. But cuts are difficult because of strong unions and political opposition to job losses in an important sector of the economy.

"Overall industry sales remain very weak across much of Europe given the economic environment," Roelant de Waard, vice president of sales for Ford of Europe, said in the statement. Automakers are being aggressive about lowering prices, and Ford is responding with new vehicle and technology launches, he said.

Ford, which said it's the No. 2 brand in Europe, saw sales increases last month in Great Britain and Russia, but it lost sales in Germany, Turkey and Italy.

The company's top-selling models in the region are the subcompact Fiesta and compact Focus.

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