U.S. Auto Sales End 2012 On A Strong Note

Dee-Ann Durbin, Tom Krisher, AP Auto Writers

DETROIT (AP) — Strong U.S. sales in December capped a remarkable year for the auto industry — especially Japanese brands — and 2013 should be even better.

Sales of new cars and trucks are expected to total around 14.5 million after all carmakers announce figures on Thursday. That is 13 percent better than 2011 and the best performance in five years.

In 2012, American had plenty of incentive to buy new cars and trucks. Unemployment eased. Home sales and prices rose. And the average age of a car topped 11 years in the U.S., a record that spurred people to trade in. Banks made that easier by offering low interest rates and greater access to loans, even for those with lousy credit.

"The U.S. light vehicle sales market continues to be a bright spot in the tremulous global environment," said Jeff Schuster, senior vice president of forecasting for LMC Automotive, a Detroit-area industry forecasting firm.

Year-end deals on pickup trucks and the usual round of sparkling holiday ads helped December sales jump 10 percent to more than 1.3 million, auto pricing site TrueCar.com predicted. That would translate to an annual rate of more than 15.6 million, making December the strongest month of 2012.

Toyota, which has recovered from an earthquake and tsunami in Japan that crimped its factories two years ago, said Thursday that sales jumped 27 percent for 2012. Its December sales were up 9 percent. Unlike 2011, the company had plenty of new models stocked in showrooms for most of last year.

Chrysler, the smallest of the Detroit carmakers, had the best year among U.S. companies. Its sales jumped 21 percent. December sales rose 10 percent. Demand was led by the Jeep Grand Cherokee SUV, Ram pickup and Chrysler 300 luxury car.

Among European carmakers, Volkswagen dominated, with annual sales up a staggering 35 percent.

But full-year sales at Ford and General Motors lagged. GM's rose only 3.7 percent for the year, while Ford edged up 5 percent. For December, GM sales rose 5 percent, while Ford was up 2 percent.

December featured year-end deals on big pickup trucks; GM offered discounts of up to $9,000 to help clear growing inventory. The move worked. GM cut its full-size pickup supply from almost 246,000 at the end of November to just under 222,000 as the year came to a close.

Overall, though, analysts said the industry eased up on promotions such as rebates and low-interest financing. Car and truck buyers paid an average of $31,228 per vehicle last month, up 1.8 percent from December 2011.

The Polk auto research firm predicted even stronger U.S. sales for 2013, forecasting 15.3 million as the economy continues to improve. Polk, based in Southfield, Mich., expects 43 new models to be introduced, up 50 percent from last year. New models usually boost sales.

The firm also predicts a rebound in sales of large pickups and midsize cars. All eight of the top manufacturers are strong and introducing new vehicles, and that should bring competition and lower prices in those segments, according to Tom Libby, lead North American analyst for Polk.

But the firm's optimistic forecasts hinge on Washington reaching an agreement on government debt limits and spending cuts.

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