

# Automakers See Best March In Six Years

Dee-Ann Durbin, Tom Krisher, AP Auto Writers

DETROIT (AP) — March is turning out to be the best month for auto sales in at least six years.

Major automakers including Ford, Chrysler, Toyota, General Motors and Nissan all reported increases, with some reporting their best monthly totals since the start of the Great Recession in December of 2007.

Buyers were lured to showrooms by flashy new vehicles and low interest rates. Plus they continue to replace older cars and trucks — the average age of a vehicle on U.S. roads is more than 11 years.

"A strong first-quarter close and increased consumer confidence continue to position the auto industry as a leader in the economic recovery," Bob Carter, Toyota's senior vice president of automotive operations, said in a statement.

Sales at Ford and General Motors each rose about 6 percent, while Chrysler sales rose 5 percent compared with last March. Toyota and Nissan each reported 1 percent sales increases, but Nissan said March was still the best month in company history. Chrysler sold nearly 172,000 cars and trucks, its best month since December of 2007, while Ford reported its best month since May of 2007 with sales of about 236,000.

Toyota sold more than 205,000 cars and trucks in March, its highest total since August of 2009, when the government paid people to trade in their clunkers for new vehicles. But Toyota's pace of growth is slowing because sales are being compared to huge monthly increases last year. Both Toyota and Honda had big years in 2012 as they recovered from a 2011 earthquake in Japan that hobbled their factories and caused shortages of cars and trucks.

Industry analysts estimate that total March sales reached nearly 1.5 million cars and trucks, a number not seen since May 2007. Total U.S. sales are expected to be up 3 to 5 percent over March of 2012.

The strong numbers are another sign that Americans are buying cars in increasing numbers as their financial situation improves.

Alec Gutierrez, a senior market analyst with Kelley Blue Book, said the improving job market is boosting sales. The number of Americans seeking unemployment benefits fell to a five-year low during March. Low interest rates are also making new-car purchases more appealing, Gutierrez said. The average rate for a 60-month new-car loan is now 4.12 percent, down from 4.52 percent at this time last year, according to Bankrate.com.

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And Gutierrez says tax refunds may have also spurred purchases. The average federal tax refund this year is nearly \$3,000, or enough to cover the down payment on a three-year lease of a Toyota Camry hybrid or a BMW 3-Series sedan.

Chrysler said sales in March were led by the Ram pickup, with an increase of 25 percent. Pickup truck sales are recovering from a five-year slump as businesses start to replace older work trucks. Full-size pickup truck sales are expected to show a nearly 15 percent increase for March, following big gains in February, Kelley Blue Book said.

GM said it sold almost 246,000 vehicles, also fueled by an increase in pickup trucks. Sales of the Chevrolet Silverado gained 8 percent. Chevrolet Traverse crossover SUV sales rose almost 55 percent.

Nissan, which sells the Nissan and Infiniti brands, said it sold almost 138,000 vehicles, the highest number in company history.

At Ford, sales were boosted by the newly redesigned Fusion sedan and Escape SUV, which both saw record monthly sales. Sales of the F-Series pickup — the nation's best-selling vehicle — rose 16 percent to 67,513 as contractors and other small businesses bought new trucks at a rapid pace. But sales of Ford's luxury Lincoln brand dropped 23 percent as shipments of the new MKZ sedan were delayed.

Incentive deals — such as the \$7,500 cash back offered for the Chevrolet Silverado pickup — are helping truck sales. General Motors, Ford and Chrysler each have a healthy supply of trucks for sale and GM wants to clear out older models before introducing its new Chevrolet Silverado in a few months.

Crossovers are also gaining, thanks to redesigned models like the Escape and Toyota RAV4. Small car sales have slowed, in part because gas prices are relatively low. Gas averaged \$3.64 per gallon at the end of March, down from \$3.78 (\$1 a liter) at the end of February and \$3.91 in March of 2012, according to AAA.

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