

# Chrysler U.S. Sales Up 5 Percent In March

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DETROIT (AP) — Chrysler's U.S. sales rose 5 percent in March as the company sold more cars and trucks than in any month since the Great Recession began in December of 2007.

The strong numbers are another sign that Americans are buying cars in increasing numbers as their financial situation improves. U.S. car and truck sales are estimated to have reached their highest level in nearly six years in March, as buyers armed with tax refund checks were lured by flashy new vehicles and low interest rates.

Chrysler said it sold almost 172,000 cars and trucks in March, 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 have risen nearly 15 percent in March, following big gains in February, the car pricing company Kelley Blue Book said.

Aging cars also are driving sales. The average vehicle in the U.S. is more than 11 years old because people held on to their cars and trucks due to economic uncertainty.

Sales of the Dodge brand, led by the Avenger midsize car, rose 15 percent from a year ago. But Jeep brand sales, which have led the company for several years, fell 13 percent. Even the Grand Cherokee SUV, which has boosted Chrysler sales for months, fell 10 percent.

Overall, Chrysler's strong sales growth from previous years is starting to slow. Last year the company's sales rose 21 percent.

Still, Chrysler's increase shows that auto sales remain a bright spot in the economy. 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. All automakers report U.S. sales through the day on Tuesday.

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.

And Gutierrez says tax refunds can also spur 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.

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Gutierrez said 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.

"Consumers looking for a new pickup truck should not hesitate to pull the trigger," he said.

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

As for the other carmakers, Volkswagen, GM and Chrysler should also post sales gains between 5 and 10 percent in March, analysts said.

Honda's sales rose nearly 9 percent, according to car buying site Edmunds.com. Honda's U.S. sales chief, John Mendel, estimates that sales of the recently redesigned Honda Accord midsize sedan increased around 30 percent last month. The Accord may have even outsold the Toyota Camry — the perennial best-selling midsize car — for the first time since October 2011.

Alan Batley, GM's U.S. sales chief, called March a strong month both for his company and the U.S. industry overall.

He expects industry sales ran at an annual rate between 15.3 million to 15.5 million for the month. The recent sales peak was 17 million in 2005, while the trough was an anemic 10.4 million recorded during the recession in 2009. March is expected to be the fifth consecutive month with an annual sales pace over 15 million, according to Edmunds.com.

"We've tracked well all month," Batey said in an interview last week at the New York International Auto Show. "We expect we'll show a nice increase."

Toyota Motor Corp. will likely report a smaller gain. Toyota's sales were unusually strong last March, when its supply of cars finally returned to levels seen before the 2011 earthquake in Japan.

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