

Automakers Report Sales Up Double-Digits

Tom Krisher, AP Auto Writer

DETROIT (AP) — Toyota, Ford, Nissan, Chrysler and General Motors all reported double-digit U.S. sales gains last month as strong sales of pickup trucks and small cars led the industry toward its best month in six years.

Toyota posted the biggest gain, with sales up nearly 23 percent over August of last year. Nissan sales were up 22 percent, the best August in company history. At General Motors, sales were up almost 15 percent for the company's best month since September of 2008. Chrysler and Ford each reported 12 percent gains.

It was Chrysler's best August in six years, while August was Toyota's best month in more than five years. All major automakers report sales numbers Wednesday.

Industry analysts say August could be the best sales month since May of 2007, when \$3 a gallon gasoline set off panic buying of fuel-thrifty vehicles. LMC Automotive, an industry consulting firm, is predicting that total U.S. sales last month were close to 1.5 million, about 12 percent higher than a year ago.

In May of 2007, automakers sold more than 1.56 million cars and trucks, due largely to a boom in small cars as the nationwide average for gas topped \$3 a gallon for the first time. This time, small cars did well, but weren't the only big sellers. Analysts say consumers are buying everything from tiny Honda Fits to big pickup trucks as an improving economy keeps pushing auto sales higher.

"The auto industry continues to be a bright spot in the economic recovery," Bill Fay, the Toyota division's group vice president, said in a statement. "August capped a great summer for new vehicle sales."

Chrysler and GM are predicting that total U.S. sales in August ran at an annual rate above 16 million, a pace last seen before the Great Recession.

The strong numbers are more proof that businesses are gaining confidence and buying trucks to replace their aging fleets. The average age of a pickup in the U.S. is 11.3 years, according to the Polk research firm.

Ford sold more than 70,000 F-Series pickups last month, the second month this year that sales have topped 70,000 for the nation's top-selling vehicle. Sales of Chrysler's Ram pickup rose 31 percent to more than 33,000. GM's Chevrolet Silverado was up 14 percent to nearly 44,000.

At Chrysler, Jeep sales rose 8 percent for the brand's best August in 11 years. Grand Cherokee SUV sales were up 40 percent. All five of Chrysler's brands reported sales increases as the company recorded its 41st straight month of year-over-year sales gains.

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Sales of truck-based vehicles were extremely strong for Chrysler, at more than 120,000. That's nearly three times the company's car sales and may indicate that Chrysler is once again becoming overly reliant on trucks for its profits.

Ford reported sales of more than 221,000 vehicles. Fusion midsize car sales were up almost 14 percent to nearly 25,000.

At GM, sales rose to nearly 276,000, led by pickups and the Sonic subcompact with sales up 31 percent. The Buick and Cadillac brands posted sales increases of more than 36 percent.

Toyota passed Ford in August sales to take the No. 2 spot behind GM. Toyota sales rose to nearly 232,000 vehicles for the month.

At Nissan, the company set an August sales record at just over 120,000.

Of automakers to report sales on Wednesday, only Volkswagen posted a decline, down nearly 2 percent after posting huge gains last year.

Although Americans have become used to paying more than \$3 for a gallon of gas, some consumers still find pump prices steep enough that they're buying small cars. Others have noticed that smaller vehicles are better designed, far quieter and safer with more features, said Tom Libby, lead North American analyst for the Polk automotive research firm. Analysts from Kelley Blue Book predict that compact and subcompact cars could challenge midsize cars as the largest segment in the U.S.

Still, gas prices aren't the sales catalyst they were back in 2007 and 2008. Gas this August was the cheapest in three years, averaging \$3.57 a gallon, compared with \$3.62 in 2011 and \$3.69 last year.

Last month, Toyota had to discount the Prius gas-electric hybrid to boost sales. Toyota discounted the average Prius by \$1,462, more than triple the incentives from a year ago, according to TrueCar.com, an auto pricing website.

Compare that to 2007, when the price of gasoline jumped from \$2.15 a gallon at the end of January to more than \$3 in early May. That May, sales of the Prius nearly tripled as consumers flocked to a vehicle that got 46 miles per gallon in city and highway driving.

"Consumers like stability," said Jeff Schuster, senior vice president of sales forecasting for LMC. Now that they're used to higher gas prices, "it's less of a shock than in May of 2007," he said.

Buyers also are paying record prices for their cars and trucks, according to the TrueCar.com auto pricing web site. The average U.S. vehicle sold for an estimated \$31,252 last month, up almost \$1,000 over August of last year and \$24 higher than the previous record in December of 2012. Five automakers, Chrysler, Ford, Honda, Nissan and Volkswagen, all had record-high selling prices last month, according to

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TrueCar.

The industry tracking firm Experian said earlier this week that nearly 28 percent of people who financed cars leased them, a record high. High trade-in values are allowing automakers to offer attractive low-cost lease deals.

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