

Fuel-efficient autos drive sales higher

WASHINGTON: US auto sales rewed up in March amid an improving economy and as high gasoline prices boosted buying of fuel-efficient vehicles, US and foreign automakers said on Tuesday (3 April 2012).

General Motors Company, the world's biggest automaker by sales, reported March sales of 231,052 vehicles in the United States, up 12% from a year ago. Solid gains were echoed at Ford, Chrysler, Toyota, Nissan, Hyundai and Volkswagen.

"March overall vehicle sales were a bit lighter than expected but in view of the recent strength it hardly seems anything to be concerned about," said Robert Brusca at FAO Economics. Sales were up 35% at an annual rate in the first quarter, compared with the fourth quarter of 2011, he noted.

Don Johnson, GM vice president, said fuel-efficient cars and crossovers, vehicles built on a car platform that incorporate features of sport utility vehicles, led the charge.

"The economic recovery and a deep bench of fuel-efficient cars and crossovers have been driving our sales for more than a year, but the combined impact has never been stronger than it was in March."

"Since the last time fuel prices spiked, both the economy and GM's product portfolio are undeniably stronger," Johnson added. Crossover sales leapt 47% and mid-car sales were up 38%. GM touted sales of a record 100,000 cars and crossovers that achieve at least a highway rating of 30 miles per gallon estimated by the US Environmental Protection Agency.

The biggest US automaker highlighted that it sold 2,289 Volt electric cars, up 50% from December 2011, "which had been the vehicle's best month since launch" the prior year. Meanwhile Ford Motor Company, the number-two US automaker, said sales rose 5.0%, to 223,418 vehicles, its strongest sales performance since 2007.

Ford said the fuel-efficient Focus was its best seller, with sales up 78%. "Rising gas prices continued to drive strong customer demand for Ford's fuel-efficient vehicles throughout March and the first quarter," said Ken Czubay, vice president of US Marketing, Sales and Service.

Chrysler Group, which emerged from a government-backed bankruptcy in 2009 and is now controlled by Italy's Fiat, said US sales surged 34% to 121,730 units, its highest level since March 2008. "The combination of credit availability, an improving economy, pent-up demand and even high fuel prices encouraging people to acquire newer more fuel-efficient vehicles are all helping to drive industry sales," said Reid Bigland, president and chief executive of Dodge Brand and head of US Sales.

Jessica Caldwell, an automotive analyst at Edmunds.com, noted that the number-three US automaker will be hard-pressed to maintain that momentum. "Sales started to pick up steam last year around this time, so it will be hard for them to report these spectacular year-over-year gains from this point on," she said.

Toyota posted a 15% rise in US sales, to 203,282 vehicles, a year after Japan's earthquake and tsunami disaster disrupted production. Japanese rival Nissan reported a 12.5% sale increase, to 136,317 units, "a record for any month in the company's history."

South Korean automaker Hyundai also said it broke the all-time monthly sales record, with sales of 69,728 units, up 13% from March 2011. German automaker Volkswagen said US sales jumped 35% to 36,588 units in March, its best performance since 1973.

Honda lagged far behind in the US market, posting a decrease of 8.4% in sales. "Honda just can't get on track," said Edmunds.com analyst Michelle Krebs.

Source: AFP

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