

The Washington Post

Wednesday January 2, 2013

BUSINESS

Best Vehicle Sales Streak Since 1973 Boosts U.S. Dealers

By Craig Trudell
(Bloomberg)

U.S. light-vehicle sales probably rose in December to wrap up a three-year run unrivaled in almost four decades as consumers replaced cars and trucks that are, on average, the oldest ever on the nation's roads.

Car and light truck sales in the U.S. probably rose 9.8 percent in December, according to a Bloomberg survey of analysts. That would cap a third-straight annual gain of at least 10 percent, the first such industry streak since 1973. ...

...U.S. light-vehicle sales in December likely climbed to almost 1.37 million, the average of estimates by 10 analysts surveyed by Bloomberg. That would push deliveries for the full year to 14.5 million, the best annual total since 2007. ...

Auto Fleet

... The U.S. averaged 16.8 million light-vehicle deliveries annually from 2000 to 2007, then dropped to 10.4 million in 2009, a 27-year-low, according to Autodata.

Americans have held onto their cars longer, pushing the average age of vehicles on U.S. roads to about 11 years, according to researchers Experian Automotive and R.L. Polk & Co.

"Autos are in the third or fourth inning of this recovery with a lot of room yet to go," said David Kudla, who manages about \$1 billion as chief executive officer of Mainstay Capital Management in Grand Blanc, Michigan, and recommends shares of GM and Ford Motor Co. ...

'Money Available'

...GM, the top-selling automaker in the U.S., probably increased deliveries in December by 2.1 percent, the average of 11 estimates. The Detroit-based automaker boosted incentives on Chevrolet Silverado and GMC Sierra pickups during the month to try to clear excess inventory ahead of introducing new versions of the trucks this year. ...

Ford Production

Ford, No. 2 in U.S. auto sales, likely will report a 1.2 percent increase in December deliveries, the average of 11 estimates. The automaker, based in Dearborn, Michigan, is spending more than \$773 million to boost production across six plants in its home state, according to a Dec. 27 statement. ...

...Chrysler, majority owned by Fiat SpA, likely boosted deliveries in December by 7.6 percent, the average of 11 estimates. Fiat, based in Turin, Italy, said Dec. 20 that it will invest more than 1 billion euros (\$1.32 billion) to build two compact sport-utility vehicles at an Italian factory that will export to markets including the U.S.