
Slowdown signs - US auto sales in August lowest in 27 years

Friday, 03 Sep, 2010

Automakers posted their weakest US August sales in 27 years, underscoring uncertainty about the strength of the recovery in the world's largest economy.

Sales dropped by 21% from the government incentive-fueled boom a year ago. Monthly auto sales data represents one of the first and broadest based snapshots of consumer demand.

On an annualized basis, the sales rate fell slightly from July and was well below what most analysts had expected by now, 18 months after sales hit bottom.

Taken together, the results contributed to concerns that private consumption was faltering or stalled in the mature markets major automakers and established parts suppliers rely on for the largest share of their sales.

Major automakers posted double digit sales declines in the US market, led by Toyota Motor Corp and Honda Motor Co, which saw results plunge by a third from the subsidy-fueled gains of August 2009.

The US auto sales rate of 11.47 million vehicles was down sharply from the 14 million plus rate in August 2009 when the U.S. government's "cash for clunkers" sales incentives touched off a short-lived boom.

In general, automakers had been expecting the industry to sell 11.5 million to 12 million vehicles in the United States this year.

(Sourced from Reuters)

For more news visit at www.steelguru.com