

U.S. auto sales fall in Q1 as chip shortage slows factories

April 1 2022, by Tom Krisher



GMC pick-up trucks are lined up on the sales lot at the Albrecht Auto Group dealership, Tuesday, Aug. 3, 2021, in Wakefield, Mass. U.S. new-vehicle sales were expected to fall around 15% in the first quarter compared with a year ago, as the global computer chip shortage continued to slow factories amid high consumer demand. General Motors reported Friday that its sales were down 20% for the quarter, while Toyota sales were off 15%. Credit: AP Photo/Charles Krupa, File

New-vehicle sales in the U.S. fell about 12% in the first quarter compared with a year ago, as the global computer chip shortage continued to slow factories amid high consumer demand.

General Motors reported Friday that its sales were down 20% for the quarter, while Toyota sales were off 15%. Stellantis sales were down 14%, while Nissan was off almost 30%. Honda reported a 23% decline, and Hyundai sales were fell just 4% from January through March.

Many automakers reporting sales made reference to the chip shortage, which began late last year and has continued to frustrate the industry, making it unable to satisfy strong demand from consumers. Many expect improvement during the year, especially in the second half.

"Improvements in the supply chain should lift auto sales as the year progresses, despite headwinds from higher inflation and fuel prices," GM Chief Economist Elaine Buckberg said in a statement.

Thomas King, president of data for J.D. Power, said March is typically a big sales month for automakers. Instead, all automakers had only 900,000 vehicles in their inventories nationwide, and that crimped sales.

Yet consumer demand remains strong and discounts are few, pushing the average sales price up to a record \$44,129 for the quarter, J.D. Power said.

Vehicles that make their way to dealerships are selling quickly, according to Edmunds.com. Gas-powered vehicles sat for only 20 days on average compared with 62 days in March of last year. Demand for electric vehicles also was strong because they sat for only 21 days, versus 63 a year ago. Gas-electric hybrids moved off the lot in an average of 15 days, compared with 48 in March of 2021, Edmunds said.

Some dealers report that all vehicles en route from factories already have been sold.

But Edmunds Executive Director Jessica Caldwell said automakers are likely to face new parts shortages due to the Russian invasion of Ukraine on top of the chip shortage. "This combination of headwinds could mean that these inventory issues will persist well into the rest of the year," she said.

An Edmunds analyst calculated that sales dropped about 12% for the quarter.

Used vehicle prices also are high. The average trade in value was \$9,274 in March, 81% more than a year ago, J.D. Power said. But even with that, monthly payments were likely to hit a record of \$658, the company said.

Toyota, with 514,592 sales from January through March, edged past GM with 512,846 to stay as the top-selling automaker in the U.S. Toyota beat GM in sales last year for the first time.

Sales figures reported on Friday do not include Ford or Tesla, both of which plan to report numbers at later dates.

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