

Automakers report lower Q1 US auto sales on virus hit

2 April 2020, by John Biers



Nationwide shutdowns are ravaging the US economy, and auto manufacturers are not immune

Automakers reported lower US sales on Wednesday, with purchases diving in March as the coronavirus pandemic prompted widespread economic closures in much of the country, carmakers reported Wednesday.

Some automakers did not break out sales by month, but among those that did, the numbers were ugly for March as the US economy abruptly shifted into shutdown mode.

These included Volkswagen, which saw US sales plunge 42 percent in March, and Toyota, which suffered 35.3 percent drop during that period.

"As the pandemic rolls across America, consumers' interest in big ticket purchases like vehicles has all be disappeared. And for those folks still interested in purchasing, in many markets they can't because of mandated dealership closing," said Cox Automotive Senior Economist Charlie Chesbrough, who predicted more pain ahead in the coming months.

"April is likely to see further historic declines, driven largely by a lack of consumer confidence and substantial increases in unemployment. And that trend will likely continue into [early summer](#), at best," Chesbrough said.

GM said sales fell about seven percent from the same period in 2019 to 618,335 vehicles due to significant declines in March as cities and states around the United States sharply curtailed activity to try to limit the spread of COVID-19.

The US auto giant, which has announced a venture with medical device company Ventec to build ventilators to treat the growing numbers of victims of the virus, continues to keep some dealers open in areas with stay-at-home orders to serve first responders and [healthcare workers](#).

Fiat Chrysler said US sales dropped 10 percent to 446,768, as "strong momentum in January and February was more than offset by the negative economic impact of the coronavirus in March."

Like GM, Fiat Chrysler has continued to keep showrooms open and permitted online ordering of cars.

Edmunds.com forecast an industry-wide decline of 11.8 percent in the January-March period to 3.5 million vehicles in the US market.

"The first two months of the year started off at a healthy sales pace, but the market took a dramatic turn in mid-March as more cities and states began to implement stay-at-home policies due to the coronavirus crisis, and consumers understandably shifted their focus to other things," said Jessica Caldwell, Edmunds' executive director of insights.

"The whole world is turned upside down right now, and the [auto industry](#) is unfortunately not immune to the wide-ranging economic impacts of this unprecedented pandemic."

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