



DAVE GOEBEL  
North American Forecast Consultant  
dave\_goebel@polk.com

Polk forecasts total light vehicle sales for 2010 of 11.2 million, an increase of 8.2 percent over 2009 estimated volumes.

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## State of the U.S. Light Vehicle Market - December 2009

Compared to November 2008, November 2009 light vehicle sales volumes in the U.S. were flat. And as expected, sales projections for the full calendar year are still significantly below 2008 volumes.

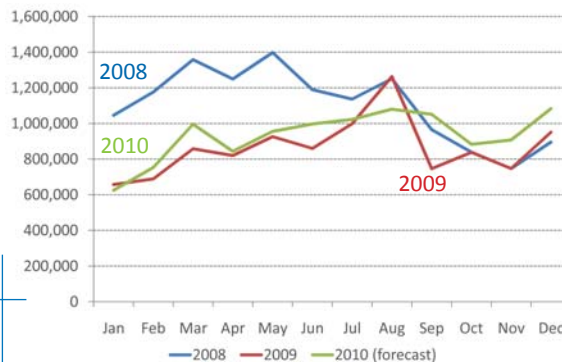
Which manufacturers posted the strongest and weakest sales performance in November compared to last year? What are projected sales for 2010? Is the industry finally starting to recover?

This Polk View answers these questions based on Polk's monthly sales forecast.

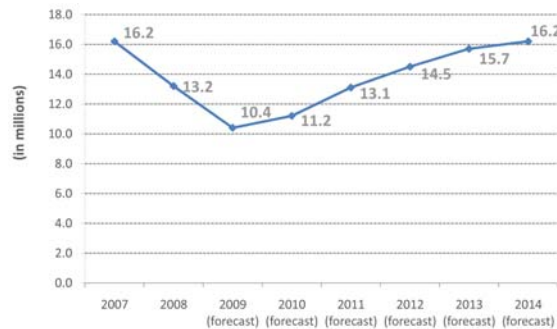
### November Light Vehicle Sales on Par With Last Year

For the month of November 2009, total light vehicle sales in the U.S. were 747,086, a 10.8 percent decrease from October 2009. **Figure 1** below compares monthly U.S. light vehicle sales from 2008 to 2009, and also includes forecasted monthly sales for 2010.

**Figure 1**  
Monthly U.S. Light Vehicle Sales - 2008 to 2010



**Figure 2**  
U.S. Annual Light Vehicle Sales - 2007 to 2014



The total industry Seasonally Adjusted Annual Rate (SAAR) for November was 10.9 million, slightly stronger than anticipated. November 2009 marked the second consecutive month of a SAAR above 10.0 million. For the first 11 months of 2009, total light vehicle sales in the U.S. were 9.4 million, 23.9 percent lower than last year's sales of 12.4 million for the same time period. Based on this data, Polk forecasts 2009 new light vehicle sales in the U.S. of 10.4 million, down 21.9 percent from 2008.

### Ford Is Only Domestic OEM with Year-Over-Year Sales Increase

Ford was the only domestic OEM with increased November sales on a year-over-year basis. Ford's 0.8 percent increase was largely due to new model generations of the Taurus and Fusion. General Motors' November 2009 sales were down 1.8 percent from November of last year. However, two GM brands, Buick and Chevrolet, showed double digit gains (14.8 percent and 10.3 percent, respectively). Chrysler's year-over-year sales performance was down nearly 26 percent from November 2008, not quite as drastic of a decline as October's year-over-year sales decrease of more than 30 percent.

Three import manufacturers showed strong year-over-year sales gains in November. Hyundai had the strongest year-over-year growth (45.9 percent), followed by Subaru (23.9 percent) and Nissan (20.7 percent).

### Economic Recovery and Light Vehicle Sales

Economic indicators are mixed, showing an uncertain future for U.S. light vehicle sales. The housing market remains weak. Housing starts fell in October after showing signs of strength due to homebuyer tax credits. Demand for housing should increase once again, now that the homebuyer tax credit program has been extended through April 2010<sup>1</sup>. Unemployment remains high (10.0 percent in November<sup>2</sup>). On the positive side, the new orders component of the Institute for Supply Management (ISM)'s November index, a predictor of economic activity, rose modestly in November<sup>3</sup>.

Based on our current estimates, Polk predicts modest recovery in the U.S. automotive sector each year through 2014, with 2014 expected to be the first year that sales match 2007's volume of 16.2 million. ♦

<sup>1</sup> "Federal Housing Tax Credits," <http://www.federalhousingtaxcredit.com/>

<sup>2</sup> "U.S. Bureau of Labor Statistics," [www.bls.gov](http://www.bls.gov)

<sup>3</sup> "Haver Analytics," The Institute for Supply Management, <http://www.ism.ws/>