

Press release¹

January 8, 2021

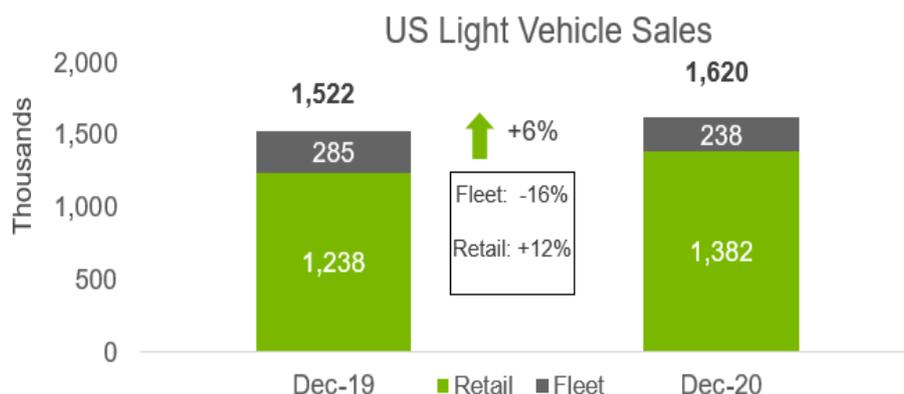
With December Light Vehicle sales reaching 1.62 million units, the total YoY decline of 14.8% has come in at a far better number than expected 8 months ago

- With three extra selling days, December was the longest month of 2020 and sales grew by 6% YoY with the annualized rate in line with pre-pandemic numbers.
- Compact Non-Premium SUV ended 2020 as the largest segment, but Midsize Non-Premium SUVs led the market in December. Large Pickups gained the most share last year, while Compact Non-Premium Cars faced the largest loss.
- 2020 Global Light Vehicle sales are poised to finish at 78 million units, down 14% from a year ago. Recovery is expected to continue into 2021 with a boost of 12% to nearly 87 million units on strength in China.

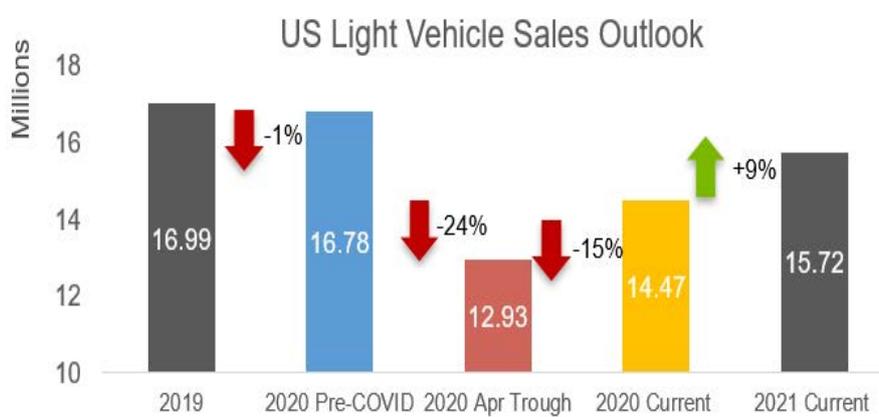
(DETROIT, MI): Helped by three extra selling days, December Light Vehicle sales grew by 6.4% YoY, to 1.62 mn units, according to actuals from LMC Automotive, the leading independent automotive global forecasting and market intelligence company. In a very atypical year, the one thing that remained the same as usual was that December posted the highest monthly sales of the year. This helped 2020 end with a total of 14.5 mn units sold, still down by 15% from 2019 but far better than expected in the early months of the pandemic.

The December annualized rate reached 16.4 mn units, about 98% of the January and February rates. In April, the weakest month of the year, the SAAR was just 8.7 mn units/year. Despite lingering economic effects of the pandemic and low inventories for certain high-volume models, the US ended 2020 much stronger than expected at the beginning of the global COVID-19 outbreak.

While retail was the backbone of the market recovery, fleet showed some strength in December, accounting for 14.7% of sales, the highest percentage since March. In Q1, fleet averaged 24.4% of sales, but fell to an average of 10.7% between April and November. Fleet deliveries plunged by 16% YoY in December, while retail sales soared by 12%. Ultra-low interest rates have been a major driver for strong retail sales.



Augusto Amorim, Senior Manager, Americas Vehicle Sales Forecasts, LMC Automotive adds:
 “Although Compact SUVs ended 2020 as the bestselling segment, with 2.29 mn units sold, they were only the third most popular segment in December. Midsize SUVs continued to lead the market last month and had a 16.2% market share, followed by Large Pickups. The real stars of 2020 were Large Pickups outperforming all other segments, gaining 1.4 pp of share from 2019 with sales down only 6.7%, half of decline of the total industry. However, strong product activity saw Midsize SUVs and Small SUVs gain 1.3 pp and 1.2 pp, respectively. Particularly hit by lower fleet sales, the Compact Car segment lost the most in 2020, and accounted for just 7% of total sales compared to 9% in 2019.”



As in many years, January may start out with a slight hangover. The very strong close of 2020 may have pulled some sales and recovery forward. The initial forecast for this month, in which there is one fewer selling day, is for a YoY decline of 10%. That translates into a volume of 1 million units and a projected selling rate of 15.4 mn units. Retail sales are expected to be down by 5%, while fleet are projected to remain constrained with a decline of 26% but an improved share of total sales at 18%.

Looking further out in the year, and with the arrival of a vaccine for COVID-19, there is greater optimism for further recovery in the US Auto industry and LMC’s forecast for US auto sales in 2021 is 15.7 mn units, a 9% increase over 2020.

Jeff Schuster, President, Americas Operations and Global Vehicle Forecasts, LMC Automotive said:
 “While risk and opportunities are balanced for the year, autos will face a higher concentration of challenges in the first half of 2021 from uncertainty surrounding vaccine rollout, the Biden administration and restrictions that remain in place in several states as winter takes hold. In addition, there is risk of manufacturing disruption with the potential for parts shortages as recovery has been better than expected. Specifically, microchip production has not been able to keep up with demand and poses a threat to the pace of the inventory rebuild in North America and globally.”

ENDS

About LMC Automotive

LMC Automotive is the leading independent and exclusively automotive focused provider of global forecasting and market intelligence in the areas of vehicle sales, production, powertrains and electrification. Highly respected for its responsive customer support, the company's client base from around the globe includes car and truck makers, component manufacturers and suppliers, financial, logistics and government institutions. LMC Automotive is part of the LMC group. LMC is the world's leading economic and business consultancy for the agribusiness sector.

For more information about LMC Automotive, visit www.lmc-auto.com, email us at media@lmc-auto.com.

Follow @LMCAutomotive on  and 

Media Contact:

Charlotte Mackenzie: cmackenzie@lmc-auto.com