

UK car sales enjoy best April since 2008

(Reuters) – New car sales in Britain were nearly 15 percent higher in April than a year ago, according to the Society of Motor Manufacturers and Traders which said sales in 2013 would be stronger than it previously forecast. New car registrations increased for the 14th month running to 163,357 units, up 14.8 percent on the year and the best April since 2008. “The UK continues to perform well ahead of the troubled euro zone as consumer confidence, regular purchase cycles, attractive finance deals and wider market factors continue to make new car buying favourable for motorists,” SMMT Interim Chief Executive Mike Baunton said on Tuesday. Rising car sales have provided a rare source of good news in Britain over the past year, while the wider economy dipped in and out of recession. New registrations have grown strongly since the start of the year, in contrast to falls in Germany - Europe’s biggest car market – and France. Even though April’s rise was flattered by more sales days this year than last, this was still a robust performance, said Howard Archer, economist at IHS Global Insight. The industry body revised up its full-year sales forecast to 2.106 million units, a 3 percent increase on 2012 volumes. In January it predicted full-year sales of 2.057 million. Car sales in Britain have also been boosted by high fuel prices, which have encouraged motorists to buy more fuel-efficient cars to save money on running costs. That cost-conscious approach was evident in April’s best-selling models, with Ford’s (F.N) Fiesta, Vauxhall’s Corsa and Ford’s Focus leading the pack. The SMMT said petrol-fuelled cars have seen their market share climb in the first four months of 2013, supported by increased demand for small cars. However, this year’s pick-up in unemployment and rising inflation threaten to slow car sales in Britain. “The auto sector faces far from easy conditions over the coming months, with consumers confronted by significant headwinds and businesses under pressure to contain costs,” Archer said. (Reporting by Christina Fincher and Olesya Dmitracova; Editing by Mark Potter)