

## Outlook upbeat for auto sales in U.S., Asia

Economists, executives and analysts echoed the optimistic outlook automakers are taking into 2013, but much of the upbeat tone is limited to the U.S. and Asia, while Europe remains in the doldrums.

That was the takeaway from Sunday night's Society of Automotive Analysts conference at Cobo Center.

The annual conference is a stage-setter for the North American International Auto Show, which opens to the media today.

Jim Davlin, General Motors vice president for finance and treasurer, opened with a forecast of an economic growth in the U.S. of 1.8% this year. He also said unemployment will average about 8% for the year, slightly higher than the 7.9% rate in December.

But he was optimistic that GM will do well because its redesigned Chevrolet Silverado and GMC Sierra pickups will arrive in showrooms this summer.

Davlin said GM's recent \$5.5-billion buyback of 200 million shares from the U.S. Treasury, combined with the government's pledge to sell its remaining 300 million GM shares by April 2014 will remove the stigma of Government Motors.

While GM has more solid financial footing than at any time since the 2009 bankruptcy restructuring, Davlin declined to say when the company will regain an investment-grade credit rating. That is up to rating agencies such as Standard & Poor's and Moody's.

Achieving that status would enable it to borrow money at lower interest rates and make GM a more attractive investment for fund managers.

"We are trending toward investment grade," Davlin said.

Asked why GM hasn't considered selling its Adam Opel unit in Germany after losing more than \$16 billion in Europe over the last 13 years, Davlin said, "Europe is still one of the most important car markets in the world."

On a broader level, Ellen Hughes-Cromwick, Ford's chief economist, predicted worldwide new-car sales will be between 80 million and 85 million this year. More than half of those will occur in emerging markets, including China, India, Brazil and Russia.

Ford expects U.S. new-vehicle sales to end 2013 between 15 million and 16 million, Hughes-Cromwick said. That would be higher than 2012's industry sales of 14.4 million.

The global growth will be driven by an increase of 800 million people of driving age — from 5.1 billion in 2011 to 5.9 billion in 2022. Most of those people will be in the growth markets of Asia.

Jeff Schuster, senior vice president of forecasting for LMC Automotive, showed a chart that illustrated how far the North American industry has come from the depths of its crisis.

LMC expected automakers to product 15.9 million cars and trucks this year in the U.S., Canada and Mexico. That would be up from 15.4 million in 2012, but a stunning 87% increase from 2009 when they produced only 8.5 million vehicles.[freep.com](http://freep.com)