European Auto Sales Rebound, but With an Asterisk

European auto sales broke an 18-month losing streak in April, industry data showed on Friday. But don't pop open the Champagne just yet: the increase was mostly a trick of the calendar.New car registrations in the 27-nation European Union rose 1.7 percent in April from a year earlier, the first increase since September 2011, the European Automobile Manufacturers' Association reported from Brussels.But the association pegged that improvement mainly to the fact that April had two more business days this year than last.Cara McLaughlin, a spokeswoman for the automakers' association, said that was because the Easter holiday fell in March this year instead of in April as in 2012. Even with the extra days, she said, the year-over-year comparison was underwhelming, as car sales in April 2012 in the European Union were the worst on record for that month."We cannot talk about the market picking up at this stage," she said.The overall trend in car sales remains a dismal one: April sales, at just over one million units, were still the third-lowest total recorded for that month since the association started compiling the data in 1990.Many European households remain reluctant to spend on big-ticket items in a grinding recession and a precarious labor market. Unemployment in the 17-nation euro zone stands at 12.1 percent. Many Europeans view cars as a lifestyle option rather than a necessity.More ominous for the car industry, a major generational shift appears to be under way, with younger Europeans, like their American counterparts, far less interested in car ownership than their parents and grandparents were.One-third of the way through this year, Friday's report showed, new-car sales were down 7.1 percent from the first four months of 2012. Last year was particularly bad, as annual sales fell to just over 12 million, the fewest since 1995.For all of that, though, investors on Friday seemed to embrace the headline number as a sign that the auto market might be reaching its nadir.Shares of PSA Peugeot Citroën rose 10.2 percent in Paris, while Renault closed 3.6 percent higher. In Frankfurt, Volkswagen gained 3.7 percent, and Daimler rose 3.9 percent.Michael Tyndall, an auto analyst at Barclays Capital in London, said that while it was understandable that people were grasping for good news, the weakness in Europe was not over.He predicted, though, that the market would hit bottom before the end of the year and that it would manage growth of just over 1 percent in 2014.Replacement demand, he noted, might remain insufficient to bolster the market for some time, given that the age of cars on European roads is relatively young — about 8.5 years, on average, compared with 11 years in the United States.The latest data showed that Germany's auto market, the largest in Europe, grew 3.8 percent in April, while Spain's expanded 10.8 percent. The market in Britain, Europe's second-largest, grew 14.8 percent. But the third-largest market, France, continued its slump, shrinking 5.3 percent, while Italy's declined 10.8 percent.The four-month trend showed that among major markets, only Britain grew, with car sales up 8.9 percent. New-car sales in Germany were down 8.5 percent in that period.Sascha Gommel, an auto analyst at Commerzbank in Frankfurt, said he believed that the market was "bottoming out at the moment."nytimes.com