

European auto sales hit 20-year low for May

MILAN — European car sales had their worst May in 20 years as the region's recession drags on, the European automakers' association said Tuesday. Demand for passenger cars in May dropped 5.9 percent over the same month last year in the 27-country European Union to 1.04 million units. That was the lowest level for that month since 1993, when sales dropped below 1 million, according to new figures released by ACEA. For the first five months of the year, sales dropped 6.8 percent to 5.07 million. After hitting a 17-year low in 2012 with a little more than 12 million new registrations, European passenger car sales have continued to sag as the European economy struggles to recover from its debt crisis. The economy of the 17 European Union countries that use the euro shrank by 0.2 percent in the first quarter of this year — the sixth such decline in a row — and unemployment is at 12.2 percent. Meanwhile, the wider 27-country EU has also seen its economy slide into recession, shrinking 0.1 percent in the first three months of 2013. Europe's recession has hit carmakers especially hard, because consumers put off purchases of high-ticket price items like cars under rising unemployment. Automakers have announced factory closures and put off new-car launches in a bid for survival and to return their struggling European operations to profitability.