HONDA, TOYOTA, FAIL MORE IN DECEMBER THAN TWO OF THREE "FAILED" US CARMAKERS

Car sales in December were—as expected—still way down as compared to last year. But as with November, there were some interesting numbers last month. Remember—these are year on year declines (which suggests the total market is down slightly less than it was in November):

> | Make | Decline |
> | --- | --- |
> | Chrysler | 53% |
> | Hyundai | 48% |
> | Toyota | 37% |
> | Honda | 35% |
> | Ford | 32% |
> | Nissan | 31% |
> | GM | 31% |
> | Daimler | 25% |
> | VW | 14% |
> | Subaru | 7.7% |

I'm still looking for Hyundai's US numbers, and Chrysler (which I suspect really tanked) won't announce until later in the day.

While GM and Ford still lost more sales across the year than Toyota and Honda (because they also tanked during the gas price crash of the summer), their performance against Toyota and Honda more recently demonstrates the degree to which recent sales are a credit driven issue, and not what Richard Shelby likes to claim is a failed business model.

Moreover, there is better news for Ford in the numbers, as its market share is beginning to rise for the first time since 2001.

> Ford took an optimistic view of

> December’s results, noting that its December market share rose to 14.6%, up 0.7 percentage point from a year ago — the first time since 1997 it had achieved a market share increase for three straight months.
>
> "This is a strong ending to…a very challenging year," said marketing chief Jim Farley. Ford projected a fourth-quarter 15% market share for Ford, Lincoln and Mercury — beating the year-ago figure for the first time since 2001, it said.

I keep looking at these relative numbers because we’re basically looking at two questions in the auto market right now. First, who can survive in the next two years, as the market for cars remains at these contracted levels? Because of the debt the American companies have, the answer to that question is undoubtedly the Japanese car companies. But the other question is who can survive best over the next two years? The rules of the game have changed, and surviving best will be as much about managing inventories on a month to month basis as anything else. And Ford, at least, (which outperformed Toyota and Honda last month as well), looks like it is winning that game in the short term.

Particularly as more people realize that Ford is somehow "different" than GM and Chrysler (because it didn’t need a bailout), Ford has the opportunity to really turn its brand image around. If it continues to pick up market share during this recession, it may well succeed in doing that.

Update: I’ve added Chrysler’s numbers (from breaking news at Reuters) which were—as I expected—utterly terrible.

Update: Both the Prius and the Tundra had worse than average declines last month, with the Tundra down 52% and the Prius down 45%. This isn’t about gas prices anymore—it’s about money.

Update: Part of GM's less-bad-than-forecast sales were due to the GMAC deal put together at the end of the month.

> GM said its December sales were helped by a zero-interest financing offer that its GMAC finance unit was able to make during the last few days of the month after GMAC was granted status as a bank holding company by the Federal Reserve.
>
> This allowed GMAC to access money from the federal government aimed at helping banks and Wall Street firms. GMAC had essentially run out of cash to make auto loans earlier in the fall.

Shockers!! BushCo actually managed to free up credit somewhere!! And the entity involved actually offered that credit!!!

Update: Added the Hyundai numbers, which were very crappy (which explains why they're doing the offer where they'll take your car back if you lose your job). Please note that Hyundai is another of those Alabama manufacturers that Richard Shelby likes to boast about.