**Global auto sales to advance 6.7% on Chinese demand, Polk says**

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DETROIT -- The number of cars and light trucks sold globally will grow 6.7 percent this year, led by Chinese demand outside the population centers of Shanghai and Beijing, R.L. Polk & Co. said. Sales will rise to 77.7 million vehicles, helped by a 16 percent gain in China to 17.9 million, according to Polk, a research company based near Detroit.

China sales were unchanged at 15.5 million in 2011, Polk estimated, after the government phased out purchase incentives.

"Growth in China will pick up again in 2012," Anthony Pratt, Polk's director of forecasting for the Americas, said in a telephone interview. "The growth there will be more a function of natural demand than stimulus, and the expansion in the second-and third-tier cities is a trend that's going to continue to develop."

Sales in Europe will be unchanged at about 19 million vehicles, as austerity measures and sovereign-debt concerns prevent governments from offering scrappage programs and other incentives for purchasers, Polk said.

Sales in Europe were about 19.2 million last year, after reaching 18.5 million in 2010, Polk estimated. In the U.S., sales of cars and light trucks will rise 7.3 percent to 13.7 million, Polk said. The U.S. won't surpass its pre-recession sales level of 16 million vehicles until 2015, Polk said.

Luxury cars will remain the fastest-growing part of the U.S. market, with more than 14 percent growth, according to the forecast. Sales topped 12.7 million in 2011, Polk estimated, after totaling 11.5 million in 2010.

**Heightened competition**

While [**Hyundai Motor**](javascript:var%20n=1) Co. and Kia Motors Corp. will increase sales volumes in 2012, their brands won't gain market share, according to Polk.

That's because they face heightened competition, including efforts by [**Toyota Motor Corp.**](javascript:var%20n=1) and [**Honda Motor Co.**](javascript:var%20n=1) to win back market share lost to production cuts after the March earthquake and tsunami in Japan, Polk said.

"The inventory issues were settled and now, more than ever, there's more and stronger competition out there," Pratt said.

"The domestics now are in a better position to compete on product than they've ever been." Growth in the BRIC countries -- Brazil, India, Russia and China -- should outpace that of most mature markets "over the next few years," Polk said.

The researcher said it expects forthcoming data to show that sales in Brazil exceeded those in Germany in 2011. India will surpass Germany by 2014, Polk said. Sales in Russia, while likely to be unchanged in 2012, will be larger than Germany's by 2015, Polk said.

*Source: Bloomberg*

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