

GM's Chinese Sales To Top 3 Million By 2015

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SHANGHAI (AP) — General Motors Co. said Monday demand in China is so strong that the company's annual sales may top 2 million vehicles this year — four years ahead of schedule — and could exceed 3 million by 2015.

GM is counting on robust growth in China, India and other emerging markets to help offset weakness in its home U.S. market as the Detroit automaker struggles to return to health after its near-collapse in 2009.

"We already have an incredible focus on China and we're going to put as much energy as we can on China," said Kevin Wale, president and managing director for GM China Group.

GM's China sales jumped 68 percent in March over a year earlier to a monthly record of 230,048 vehicles, propelling a 71 percent surge in first quarter sales to 623,546 units.

In the lackluster U.S. market, GM's March sales were 188,546 — or 20 percent below China.

China's total vehicle sales jumped 72 percent from a year earlier in the first quarter of this year to 4.6 million units as the economy rebounded from the global crisis.

While year-on-year growth will likely slow in months ahead, analysts forecast that China's total auto sales could rise as high as 17 million this year.

Wale says he expects the total to exceed 15 million vehicles this year.

"If we have a strong wind behind us we might get to 16 million units for the industry in China in 2010," he said.

The company, which reported a \$3.4 billion loss in the last quarter of 2009, plans to pay off billions of dollars in loans from the U.S. government by June, five years ahead of schedule, and says it could report a profit as early as this year.

GM does not provide a breakdown of the financial contribution of its sales in China to its overall bottom line.

GM plans to release at least 25 new or revised models in China by the end of next year, he said. That includes the all-electric Chevrolet Volt this year, though many will be updates of vehicles already on the market.

GM released 14 new and upgraded models in China in the past two years, striving to grab market share in many segments amid fierce competitive from both global and

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local rivals.

GM expects to launch the first made-in-India vehicle from its newly established joint venture with Shanghai-based partner SAIC next year, Wale said. He said the company has a number of projects to help expand output at its factories in China while it considers options for further raising production, though he gave no details.

"It's just mathematics," he said. "If we're going to increase our sales to 2 million, we have to expand capacity."

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