

China's Car Imports Doubled In 2010, With SUVs In Charge

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SHANGHAI (AP) — China's imports of foreign cars nearly doubled last year, with Japanese and German models most in favor among buyers looking to upgrade their vehicles, an industry association said Tuesday.

The quasi-official China Association of Automobile Manufacturers said car imports jumped 93 percent last year from 2009 to 813,600 vehicles. By value, imports doubled to \$30.64 billion, while China's vehicle exports rose 40 percent from a year earlier to a record \$51.8 billion.

An explosion in demand and sluggish sales in the recession-stricken West helped China overtake the U.S. as the largest car market by sales of new vehicles in 2009. Last year, sales of passenger cars, excluding large buses, jumped by a third to 13.7 million vehicles.

While domestic-made models of foreign joint ventures dominate the market, demand for higher-quality imports remains strong.

Imports of SUVs led the market at 351,400 vehicles, up 69 percent from 2009, while imports of sedans more than doubled to 343,700, the report said. Imports also more than doubled, to 89,900.

Despite a spate of safety-related recalls by Japanese manufacturers, imports from Japan accounted for the largest share, followed by Germany, South Korea and the United States.

China's auto exports are mainly buses, trucks and knockdown kits for assembly overseas, sold by domestic manufacturers to developing countries.

So far, exports of made-in-China vehicles, especially by foreign joint ventures, have been limited, partly due to the struggle to keep up with surging local demand. Last year they accounted for less than 3 percent of the 18.3 million vehicles produced in China, far behind South Korea, Thailand, India and Brazil.

Passenger car sales slowed in January as tax breaks for energy-efficient cars lapsed and cities began tightening curbs on vehicle use to help combat traffic congestion and smog, according to the Shanghai-based China Passenger Car Association.

It reported Monday that sales of passenger cars fell 10.3 percent in January from the month before to 965,238 vehicles. On an annual basis, sales rose 12.6 percent.

Weaker demand inside China would likely spur efforts to export more to other fast-

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growing markets, though rising costs for labor and materials already are already eroding its price competitiveness.

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