

GM: Chinese Sales Reach Month-To-Month High

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SHANGHAI (AP) — General Motors Co. says its vehicle sales in China, the world's largest auto market, hit a monthly record high of 268,071 in January, though year-on-year growth was sharply lower.

GM said Wednesday that its sales in China in January rose 22.3 percent from a year earlier, a much smaller increase than the 97 percent growth seen in January 2010, when sales totaled 219,192 vehicles.

The company estimates its market share in China at 14.7 percent.

GM sold more cars and trucks in China last year than it did in the U.S. for the first time in the company's 102-year history. An expansion of sales into provincial cities helped the company sell 2.35 million vehicles there in 2010, up 29 percent.

But even that fast growth lagged the market, which expanded by a third to exceed 18 million vehicles sold. Sales of passenger cars also rose by a third, to 13.7 million vehicles.

Car sales have surged in China over the past two years after the government cut sales taxes and offered subsidies to buyers of smaller, fuel-efficient vehicles. A move by Beijing to counter traffic problems by hiking license plate fees prompted many car buyers to rush into showrooms before the change took effect.

That policy change, plus the much larger base of total sales, has prompted analysts to forecast that sales growth will slow somewhat this year. But double-digit income growth appears to still be spurring sales across the country, as increasingly affluent families either buy their first cars or upgrade to roomier vehicles.

Shanghai GM, the company's China flagship venture, sold 131,944 cars in January, up 46 percent from a year earlier, while sales of minivehicles climbed 10.6 percent to 132,658. The company also sold 3,334 light-duty commercial vehicles through its joint venture with state-owned automaker FAW.

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