Chinese Auto Sales Fall For First Time In Two Years

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SHANGHAI (AP) — Auto sales edged lower in China in April, the first such decline in over two years, as dealers were dealt a double whammy from weakening demand and the spillover from Japan's earthquake disaster.

Automakers delivered 1.55 million vehicles to buyers in April, down 0.25 percent from a year earlier, the China Association of Automobile Manufacturers said in a statement seen Wednesday on its website. But passenger car sales saw a modest increase. rising 2.8 percent to 1.14 million vehicles, it said.

In the January-April, sales rose 6 percent to 6.53 million vehicles, slowing sharply from the double-digit growth seen in recent years, the Beijing-based group said.

"Sales growth may not reach the anticipated 10 percent to 15 percent level and may fall below the growth rate for the economy," the group said. "In view of the need to expand domestic demand, this issue deserves some attention," it said.

Surging sales following the global financial crisis made China the world's biggest market for new vehicles as of 2009, but growth has tapered off amid rising gas prices, tighter traffic restrictions and an end to government incentives.

Sales jumped 32 percent last year to over 18 million vehicles. The latest data suggests they might fall short of 10 percent this year and may not top 20 million vehicles.

In the first quarter of the year sales rose just 8 percent, suggesting that global automakers looking for a shortcut to faster growth will find the going a bit harder this year.

So far, only a handful of individual automakers have reported April sales.

Japanese manufacturers, stymied by supply chain disruptions following the massive earthquake and tsunami in northeastern Japan in March, took the biggest hit in April, with Toyota Motor Corp. reporting that sales fell 23 percent from a year earlier, to 48,700 vehicles.

Toyota's sales in China rose 6 percent in January-April, to 256,000 vehicles.

"The impact from the Japanese earthquake was more obvious in April, and it will continue in May," the association said.

The magnitude 9.0 earthquake and ensuing tsunami that devastated Japan's

northeastern coast on March 11 put many manufacturers of auto components out of action. Power shortages and other damage have also hitmanufacturing, with Toyota saying it does not expect to restore full production until late in the year.

New vehicle sales by Honda Motor Co. in China slipped 22 percent from a year earlier, to 43,000 vehicles.

General Motors Co. and its joint ventures sold 203,367 vehicles in China in April, down nearly 5 percent from a year earlier.

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