

GM's Chinese Sales Drop 5 Percent As Growth Cools

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SHANGHAI (AP) — General Motors Co. and its joint ventures sold 203,367 vehicles in China in April, down nearly 5 percent from a year earlier as growth cools in the world's largest auto market.

GM said Friday that sales by its flagship venture Shanghai GM rose 7.4 percent to 96,219 vehicles in April. That rise was offset, however, by slowing sales growth for its other China operations. GM and its ventures sold 213,115 vehicles in China in April 2010.

China's auto market, which overtook the U.S. in 2009, is still growing, with sales up 32 percent last year to over 18 million vehicles. Overall sales are forecast to rise more than 10 percent this year, topping 20 million vehicles.

Official vehicle sales for April are due next week. 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.

GM's sales in China in the first four months rose 6.3 percent over a year earlier to a record 888,950 vehicles, the company said in a statement. But the increase pales compared with the double-digit growth seen in previous years.

The company's sales in the U.S. market in April outpaced growth in China, jumping 26 percent, helped by strong demand for small cars and crossovers. Ford Motor Co., meanwhile, reported a 13 year-on-year jump in U.S. sales in April, compared with 3 percent growth in China.

Ford Motor China said its sales rose 15 percent in the first four months of the year, though, to 184,906 vehicles.

GM and other automakers saw sales in China surge in the past few years thanks to rising demand among families with rising incomes and to government tax incentives and subsidies put in place when sales plunged in 2008 due to the global economic crisis.

Those policies were a boon especially to GM's minivehicle venture, SAIC-GM-Wuling, whose minivans are popular in the increasingly affluent countryside.

But the incentives were discontinued this year, and SAIC-GM-Wuling saw sales drop almost 12 percent in April from a year earlier, to 100,262 vehicles.

Demand for luxury brands such as Cadillacs and SUVs remains robust. Cadillac's

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sales rose 77 percent year-on-year in April, to 2,550 vehicles, GM said.

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