Ford, GM, Honda See Mixed Chinese Sales In May

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SHANGHAI (AP) — Foreign automakers are seeing mixed sales trends in China as the world's biggest market for new vehicles cools after years of torrid growth.

General Motors Co. said Tuesday that its total sales in China fell 3 percent in May from a year earlier to 190,674 vehicles. Its sales in the first five months of the year edged up nearly 5 percent to 1.08 million.

GM's flagship joint venture with Shanghai Automotive Industrial Corp. fared well. Its sales climbed 11 percent to 92,519 on robust demand both for fuel-efficient Chevrolet models and for pricier Buicks and Cadillacs.

Ford Motor Co. said its sales in China climbed 14 percent from a year earlier to 45,162 vehicles in May. Sales in January-May climbed 15 percent to 230,068, helped by strong demand for the Ford Focus and Mondeo models.

Japan's Honda Motor Co. reported its sales fell about 32 percent to 27,204 vehicles in May and about 9 percent in the first five months of the year, to 236,264.

Auto sales edged lower in China in April, the first such decline in over two years, as dealers were hit by both weakening demand and the spillover from Japan's earthquake disaster.

Industrywide sales for May are due later in the week. But reports in state media suggest growth, if any, will be modest. Domestic automakers are meanwhile trying to beat the heat of intense competition at home by focusing on overseas investments and exports.

The government-affiliated China Automotive Technology & Research Center has forecast that sales could fall 10 percent this year, sapped by rising fuel prices, traffic curbs and the end of government subsidies for some vehicle purchases.

But the market is still expected to see strong and steady growth in the long run, albeit at a slower pace, and major automakers continue to expand capacity.

Ford recently announced that its joint venture Changan Ford Mazda Automobile Ltd. will spend $350 million to build the company's first transmission plant in Chongqing in southwest China, an area that saw rapid sales growth before the current lull.

Surging sales following the global financial crisis made China the world's biggest market for new vehicles as of 2009, and sales jumped 32 percent last year to over 18 million vehicles.

In the first quarter of 2011, sales rose just 8 percent.

Supply chain disruptions following the massive March 11 earthquake and tsunami in northeastern Japan are still hindering Japanese automakers. Honda reported that sales of its joint venture with central-China based Dongfeng Motors held steady in January-May, edging up 1.6 percent from the same period a year earlier, to 105,722.

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