

# China's Auto Market Revved Up In May

The Associated Press

BEIJING (AP) — China's auto market revved to life in May despite the weakening economy, with vehicle sales jumping nearly 16 percent from a year earlier to 1.61 million units, industry figures showed Saturday.

Sales for May in the world's largest market for new vehicles were sharply higher than earlier in the year. Total auto sales in the first five months of the year inched up 1.7 percent to 8.02 million units, the China Association of Automobile Manufacturers reported.

Passenger car sales continued to outstrip sales of commercial vehicles, with 1.28 million passenger cars sold in May, up 23 percent from a year earlier, the association said. It said 6.33 million passenger cars were sold in January-May, up 5.48 percent year-on-year.

The data show the Chinese auto market is stabilizing, the association said in a report posted on its website. However, the improvement also reflected low sales a year earlier, after the March 11 tsunami and earthquake disrupted production at Japanese auto factories.

The news comes amid speculation that the authorities might soon reinstate subsidies for car buyers who swap older vehicles for new, energy efficient ones. That could help spark economic growth, which fell to a nearly three-year low of 8.1 percent in the first quarter, but some analysts have warned that such a strategy might worsen overcapacity.

Strong vehicle output did contribute to a modest uptick in industrial production in May, which expanded by 9.6 percent from a year earlier, up from April's 9.3 percent.

But the auto sales data showed no strong improvement in sales of domestic brand vehicles, with most of the gains going to foreign automakers.

General Motors Co. and its joint ventures sold 231,183 vehicles in China in May, up 21 percent from the same month in 2011 and a slight improvement from April.

More than half were minivans sold by its SAIC-GM-Wuling joint venture, which saw sales soar 36 percent to 127,749 vehicles in May.

Ford Motor Co. reported its passenger vehicle sales climbed 23 percent from a year earlier to 34,550 units. Sales of both passenger and commercial Ford-brand vehicles rose 8 percent to 48,608, it reported earlier.

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