GM Global Sales Gaining On Toyota

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DETROIT (AP) — General Motors' global sales grew almost 4 percent in the first half of the year, enough to fend off Volkswagen for second place and perhaps close the gap with sales leader Toyota.

GM said Tuesday that it sold 4.85 million cars and trucks worldwide from January through June. That puts GM on pace for sales of around 9.7 million for the year.

The Detroit automaker sold 9.3 million cars and trucks last year, about 450,000 less than Toyota Motor Corp. GM may have gained some ground on its Japanese rival this year by growing faster in the U.S., the world's second-biggest car market.

GM's first-half U.S. sales rose by 8.7 percent to 1.4 million, while Toyota's sales grew by 6.7 percent to 1.1 million, according to Autodata Corp. Toyota is expected to release global sales figures later this month.

Also, Toyota sales faltered in China during the first half because of a resurgence of anti-Japanese sentiment there due to a territorial spat over some tiny islands. GM's first-half sales in China, its largest market, rose almost 11 percent to 1.57 million vehicles, the company said.

Toyota has a clear lead in its home market of Japan, the fourth-largest auto market in the world, where competition from foreign brands is limited.

At the end of the first quarter, Toyota, which sells the Toyota, Lexus and Scion brands, held a slim global sales lead of 65,000 vehicles over GM.

Toyota and GM executives often say they don't care who wins the global sales race, and that growing profits is more important. But privately they like to win the race because it's good for employee morale and national flag-waving.

GM was the top-selling carmaker for seven decades before losing the title to Toyota in 2008. GM retook the crown in 2011 when Toyota's factories were slowed by an earthquake and tsunami in Japan, leaving the company with few cars to sell. Toyota has since recovered.

General Motors Co. said that its global market share rose 0.1 percentage points in the first half to 11.5 percent. GM's international operations were the biggest contributor, growing 7 percent to just over 1.9 million vehicles. International Operations include the Asia-Pacific, Africa and Middle East regions. North America was in second-place with sales up 7.7 percent to just over 1.6 million.

But those gains were offset somewhat by a 6.5 percent drop in Europe, which is mired in recession, and a 1 percent decline in South America.

GM has multiple brands including Chevrolet, Cadillac, Baojun, Buick, GMC, Holden, Jiefang, Opel, Vauxhall and Wuling.

Alec Gutierrez, senior market analyst for Kelley Blue Book, said in an email that GM's U.S. growth has been fueled largely by rising sales of full-size pickup trucks.

"The surge in truck demand has benefited GM beyond their home market by allowing them to close the gap with Toyota in the global sales race," he wrote, adding that newer compact and subcompact cars have also helped GM grow in segments where it previously had few sales.

At Volkswagen AG, Global sales increased 5.5 percent for the first six months despite slumping sales in Europe, its home market.

VW, which includes the Volkswagen, Audi, Porsche, Skoda and Seat brands, said last week that it sold 4.7 million vehicles during the first half. Keeping up that pace would give VW 9.4 million sales for the full year, better than last year's 9.1 million but still short of GM and Toyota.

The company said it made "satisfactory progress" despite economic troubles, especially in Europe.

Volkswagen's blistering U.S. sales growth of the past few years has slowed. Its sales grew only 3.3 percent in the first half even though the market as a whole grew 8.4 percent. Last year, VW's U.S. sales gained almost 31 percent.

Ford Motor Co., GM's closest Detroit competitor, hasn't released its global first-half sales numbers, but it typically ranks well below GM, Toyota and VW.

Still, Ford reported strong growth in both the U.S. and China, where it entered the market late but is rapidly expanding. Ford's China sales rose 47 percent to 407,721 in the first six months, mostly because of new products like the Kuga and EcoSport small SUVs. U.S. sales grew nearly 14 percent to 1.29 million.

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