

GM says China sales at record high in first half

SHANGHAI - US auto giant General Motors said Thursday its China sales for the first half of this year reached a record 1.42 million vehicles, despite an economic slowdown in the world's biggest car market.

GM's sales in the country jumped 11.3% in the first six months from a year earlier, it said in a statement.

For June alone, its China sales rose 10.1% year-on-year to 213,495 vehicles, also setting a new record for the month, GM said.

"Despite signs of slowing economic growth in China, demand for GM products rose in all key segments in the first half of the year," GM China Group president Kevin Wale said in the statement.

"We expect sales growth to remain steady in the second half, driven by demand in China's interior provinces."

China's economy has been weakening, recording 8.1% growth in the first quarter of this year, its slowest pace in nearly three years.

Auto sales also began to slow last year after the government rolled back purchasing incentives and some cities imposed limits on car numbers to ease traffic congestion and cut pollution.

Despite market expectations for the revival of favourable policies to boost auto sales by offering subsidies to buyers, another major Chinese city has just resorted to limiting car numbers to ease traffic woes.

The booming southern city of Guangzhou on July 1 imposed a cap on the number of cars allowed to be sold, state media reported, spurring worries more cities could follow suit.

China's nationwide vehicle sales rose just 2.5% to 18.51 million units in 2011, compared with an annual increase of more than 32% in 2010.

However, foreign brands have managed to buck the trend with better brand recognition and perceptions of better quality among domestic consumers.

GM sold more than 2.5 million vehicles in China last year.

Source: *AFP* via I-Net Bridge

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