

General Motors says China sales up 38%

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(Xinhua)

General Motors Corp said Wednesday that sales in China jumped 38 percent in the first half of this year, helped by strong demand for its minivans and other small vehicles.

GM sold more than 100,000 vehicles a month in China in January-June for a total of 814,442, a record for any half-year, the company said in a statement. That compares with sales of 1,094,561 GM vehicles in China for all of 2008.

Strong growth in China and other emerging markets is crucial for GM's recovery as it works to emerge from Chapter 11 bankruptcy back in the United States. While GM has slashed jobs and closed factories back home, it is still expanding in China.

"China's vehicle market continued to outpace most expectations for growth," said Kevin Wale, GM's China Group president and managing director. "We continued to enjoy strong demand for many of our existing products and new models."

The increase in sales was helped by stimulus policies, such as subsidies for replacement vehicles, and by strong growth in inland cities that have lagged behind China's wealthier coastal areas.

China's total passenger car sales surged 21 percent in January-May, to 3.36 million units, while total vehicle sales climbed 14.3 percent to 4.96 million units, according to industry figures.

Industrywide sales are forecast to top 10 million units this year. In 2008, China's auto sales grew 6.7 percent to 9.38 million units - the first time growth has fallen below 10 percent since 1999.

GM's minivan joint venture in southern China's Guangxi province, SAIC-GM-Wuling, has thrived under government policies aimed at promoting use of more fuel efficient, less polluting vehicles.

SAIC-GM-Wuling sold 524,598 units in January-June, up nearly 50 percent from the first half of 2008.

Its most popular vehicle, the Wuling Sunshine minivan sold 295,789 units, while sales of the Wuling Rong Guang premium minivan, which was launched a year ago, nearly topped 100,000 units. SAIC-GM-Wuling sold 32,056 Chevrolet Spark mini-cars, up 60.0 percent over the year before.

Other big sellers included the Excelle sedan and other Buick models.

Despite its financial woes elsewhere, Wale has said GM's eight joint ventures are sticking to their target of doubling sales from 2008 to about 2 million within the next five years.