

Japanese car sales in China rocket 72% in November

Japanese passenger car sales in China soared 72.2 percent in November, an industry group said Monday, after demand slumped in a furious territorial row between the world's second- and third-biggest economies.

The China Association of Automobile Manufacturers (CAAM) said the month-on-month rise came after falls of 29.5 percent in September and 38.2 percent in October — but Japanese sales were still 36.1 percent down on November 2011.

“Compared with October, sales of Japanese passenger cars started to have clear increase last month,” it said in a statement, without giving an absolute figure.

Overall vehicle sales in China — the world's largest car market — rose 8.2 percent year-on-year in November to around 1.79 million units, a sharp increase in momentum, the industry group said. In October growth had stood at 5.3 percent.

A bitter dispute flared in mid-September after Tokyo nationalised East China Sea islands also claimed by Beijing, sparking huge protests across China and calls for boycotts of Japanese products.

Analysts say the row over the islands, known as Diaoyu in China and Senkaku in Japan, has affected Japanese automakers operating in the country and helped boost demand for other foreign brands.

Japan's top three carmakers — Toyota, Honda and Nissan — all manufacture in China and scaled back production as sales slumped.

But as anti-Japanese sentiment begins to dissipate they have revved up production and tried to boost sales by offering discounts on new cars — along with compensation for owners of vehicles damaged during the protests.

“Sales of Japanese cars will improve month by month. They will be better in December and January,” Harry Chen, Shenzhen-based analyst with Shenyin Wanguo Securities, told AFP.

“This is mainly because of the restoration of production and the promotions offered by Japanese car makers. I think sales will return to the 2011 level by February.”

Japanese carmakers' market share in China stood at 16.6 percent last month, lower than the 23 percent recorded before the protests erupted, according to CAAM data.

For the first 11 months of the year, total auto sales increased four percent to 17.5 million units, with full-year sales expected to exceed 19 million units, it said.

China's vehicle sales reached 18.51 million units last year, a rise of just 2.5 percent, down from an annual increase of more than 32 percent in

2010, as the government scrapped buying incentives and cities put limits on car numbers.