

April passenger vehicle sales rise 16.6%

Passenger vehicle sales enjoyed double-digit year-on-year growth in April, with the week-long Shanghai Auto Show and the three-day toll-free Labor Day holiday boosting figures in the fourth week of the month, particularly. Total sales of cars, sports-utility vehicles, multi-purpose vehicles and minivans accelerated 16.6 percent from last year to 1,341,900 during the month, the China Passenger Car Association said on Thursday. "The launches of new models at the show and toll-free holidays, which encouraged more self-drive trips, greatly improved sales in April," said Rao Da, the association's secretary-general. The Shanghai show attracted a record 152,000 visitors on the first day, which clearly indicates the strong Chinese desire for a modern life and mobility, he added. "The enthusiasm triggered by the show will continue into May, and passenger vehicle sales will maintain the same level as April." Rao said that after a 20 percent growth in sales in the first four months of the year, and without the government launching any more policies to control sales, the Chinese market should see "2 million more passenger cars sold this year" than in 2012. Andrew Thomson, Asia-Pacific head of automotive and partner at KPMG China, predicted an annual 10 percent rise in passenger vehicle sales in 2013, with SUV sales likely to grow at "around double that rate and the luxury segment also growing ahead of the overall market". He added: "The current growth is broadly in line with this forecast, and we see no reason to amend our views based on the early-year results for the auto sector." Though China's overall passenger vehicle market is on the road to stable growth, homegrown brand sales continue to stagnate. Rao said that in April Chinese automakers saw their share of the domestic market drop almost 3 percent from March, and their April sales were also well down from last year at this stage. "Their troubles really started after some local governments announced they will limit vehicle purchases in big cities, to tackle traffic congestion and pollution levels," said Cui Dongshu, deputy secretary-general of the China Passenger Car Association. "Foreign automakers' recent strategy of launching more entry-level or joint-venture brands aimed at the lower-end of the market has also put hefty pressure on their Chinese counterparts," Cui added. More important, Cui said, "Chinese automakers' shortcomings on technology, quality, especially branding, also make them less attractive to younger buyers, a major target market for companies". Vehicle sales by US giant General Motors increased 15.3 percent on an annual basis last month to an April record of 261,870 units. Its strong performance took the company's sales for the first four months of 2013 to a record 1,078,243 vehicles, an increase of 10.9 percent on an annual basis, the first time it had surpassed 1 million units in the first four months of the year. Another US heavyweight, Ford Motor Co, also reported a robust 37 percent growth in April sales, with deliveries of 75,331 vehicles. Its total sales of 261,927 in the first four months represented a 49 percent sales surge from a year earlier.