

## **Car sales down seven percent in France**

Sales of new cars in France slipped by 7 percent in July compared to the same month last year, according to data from manufacturers' organization CCFA. At the company level, sales by the PSA Peugeot Citroen group fell 9.9 percent, while Renault reported an 11.2 percent drop. France's auto sector is still feeling the effects of the stagnant European market, as French car sales dropped seven percent in July, trade data showed this week. Sales of new cars in France slipped by 7 percent in July on the basis of unadjusted data and a 12-month comparison to 148,966 vehicles, the manufacturers' organization CCFA said. The drop came despite the fact there were two extra working days in the month compared with July 2011. Sales by the PSA Peugeot Citroen group fell 9.9 percent and by Renault 11.2 percent, the figures showed. The French market has been weak for several months owing to the end of a cash-for-clunkers government bonus to support car sales at the height of the financial crisis. In addition, the French economy is struggling. France last week announced that it will boost support for environmentally friendly cars as part of a rescue plan unveiled amid growing concern for top carmaker PSA Peugeot Citroen. PSA Peugeot Citroen posted a net loss of 819 million euros (nearly \$1.0 billion) for the first half of this year, more than reversing a year-earlier net profit of 806 million euros. The company, which employs 100,000 people in France but had already announced 8,000 job cuts there, said it will implement a 1.5-billion-euro cost reduction plan through to 2015.