

Toyota global vehicle sales up 28 percent in Jan.-Sept.

TOKYO — Toyota sold 7.4 million vehicles around the world in the first nine months of the year, up 28 percent from a year earlier, but its strong growth faces headwinds from a sales plunge in China that could unseat it as the world's top automaker.

Anti-Japanese sentiment flared in China after Japan nationalized tiny islands in the East China Sea, called Senkaku in Japan and Diaoyu in China, intensifying a territorial dispute. The move set off violent protests in China and a widespread call to boycott Japanese goods.

Toyota's vehicle sales in China dropped to about half of last year's levels in September to 44,100 vehicles from 86,000 the year before. In August, Toyota sold 75,280 vehicles in China, down 15 percent.

Toyota reclaimed its crown as the world's top automaker from General Motors Co. in the first half, selling 4.97 million vehicles globally. That marked a turnaround Toyota, which had suffered setbacks in recent years from massive recalls and natural disasters.

Toyota, which makes the Prius hybrid, Camry sedan and Lexus luxury models, had planned to sell 1 million vehicles in China this calendar year. But the company no longer expects to achieve that number. It has not given a new target.

Over the first half of the year, Toyota sold about 300,000 more cars and trucks than GM did. Initially, that kind of lead was seen as large enough to make it difficult for GM to catch Toyota in the final six months of 2012. GM said it sold 4.67 million vehicles during the first half. It's set to give January-September numbers Oct. 31.

Nomura Securities Co. auto analyst Masataka Kunugimoto expects Toyota's China sales to gradually recover, reaching 900,000 vehicles for the year, even if they fall short of 1 million vehicles. He expects GM and other non-Japanese manufacturers to get a perk in sales as buyers avoid Japanese products.

"But we don't expect this kind of drop to continue," he said. "The Chinese market is still growing."

Both GM and Toyota have said in the past that they don't care about the global sales leadership and are focusing on making profits. But the sales crown is a matter of corporate pride for both automakers.

Toyota's production was hit by the earthquake and tsunami in northeastern Japan last year and then by flooding in Thailand. Its sales were also dented by massive U.S. safety recalls, totaling more than 14 million vehicles since the quality control problems emerged three years ago.

GM was No. 1 in world auto sales last year. The U.S. and China are GM's two biggest markets. The Detroit company was the top-selling automaker for more than seven decades before losing it to Toyota in 2008.

Last year, Toyota dropped to No. 3 after Volkswagen AG of Germany. For the first three quarters, Toyota outpaced Volkswagen, which sold

just under 7 million vehicles for that period, up 12 percent from the previous year. Volkswagen was in third place for the first half, selling nearly 4.5 million vehicles.