

China's auto sales rebound during October

BEIJING — China's auto sales rebounded in October but Japanese brands suffered a sharp downturn amid a territorial dispute between Beijing and Tokyo, an industry group said Friday.

Sales in the world's biggest auto market rose 6.4% to 1.3 million vehicles, according to the government-sanctioned China Association of Automobile Manufacturers. That was a recovery from September's 0.3% contraction — the first monthly decline this year.

Japanese brands extended September's sales slide, declining 38% overall from a year earlier, the CAAM said.

Sales of Japanese vehicles plunged in September as the dispute between Beijing and Tokyo over a group of uninhabited islands in the East China Sea prompted buyers to avoid Japanese showrooms.

Customers who planned to buy Japanese models are putting off purchases but have yet to switch to other brands, said Jia Xinguang, an independent auto industry analyst in Beijing.

"They are watching and waiting," he said.

Sales growth might improve in coming months as China's economy starts to pull out of a deep slump and automakers put pressure on dealers to sell a backlog of inventory, Jia said.

"The last two months of this year could be better," he said.

Global automakers are looking to China and its growing urban consumer class to drive sales as other markets mature, but growth has weakened sharply over the past year as the economy has cooled and some cities have imposed restrictions on ownership in response to smog and congestion.

Sales growth declined from June's 15.8% to 11% in July and 3.7% in August.

In October, total vehicle sales rose 5.3% to 1.6 million units, according to the CAAM.

The slump for Japanese brands is hurting China as well, because many Japanese vehicles sold in the country are produced in local factories with components bought from Chinese suppliers.

Japanese automakers have temporarily closed some of their China factories and have reduced production after reopening.

Among other foreign brands, General Motors said sales of GM-brand vehicles rose 14.3% from a year earlier to 251,812, surpassing 250,000 for the first time.

Ford said sales of Ford-brand vehicles rose 48% to 60,518 and sales so far this year were up 14% from the same period in 2011.

General Motors and its joint ventures sold an October-record 251,812 vehicles in China. Sales were up 14.3% on an annual basis, as GM's major brands in China reached new highs for the month.