

China, India Register Lower Car Sales Growth

An employee walks past new cars at the parking lot of Changan Ford Mazda Automobile Co. Ltd, Ford Motor's joint venture in China, in Chongqing Municipality, October 12, 2010. REUTERS/Stringer

Asian giants China and India have shown signs of slowing economies as both countries have registered lower growth in car sales. India's industry body, the Society of Indian Automobile Manufacturers (SIAM) has reported a lowered car sales growth forecast, down to 9 to 11 percent for this fiscal year; however, it has said that utility vehicles continue to be the superstars of India's car market with growth projections set as high as 29-31 percent for 2012-13, reports The Hindu. According to the report, SIAM says that the passenger car segment is now likely to grow by 9-11 percent in 2012-13, instead of 10-12 percent projected three months earlier. S. Sandilya, president of SIAM, told media at a press conference in New Delhi that during the April-June 2012 period, passenger car sales increased 5.22 percent to 4,90,802 units, as against 4,66,452 units in the year-ago period. However, Sandilya said if there is no further hike in fuel prices and interest rates, the passenger car segment is likely to see higher growth. Higher bank interest rates for vehicle loans and high fuel prices have affected car sales in India during last few months. According to a statement issued by SIAM, the overall commercial vehicles segment registered growth of 6 percent in April-June 2012 as compared to the same period last year when the segment registered a growth rate of 14 percent. While medium & heavy commercial vehicles registered negative growth, down nearly 12 percent, light commercial vehicles grew at 20 percent. Three-wheeler sales recorded marginal growth at 0.83 percent in April-June 2012 against 4.92 percent during April-June 2011. Passenger carriers grew by 5.66 percent during April-June 2012 and goods carriers registered a 15 percent fall during this period, according to the SIAM statement. From April-June 2012, overall automobile exports registered a 1.2 percent decline. Passenger vehicles, commercial vehicles and two-wheelers grew by 14 percent, 8 percent and 2.63 percent respectively in April-June 2012, the SIAM statement read. Meanwhile, reports suggest that China's automobile sales growth has also lost further momentum as that country has also shown slower growth in its economy. Citing a statement issued by the China Association of Automobile Manufacturers (CAAM), Reuters reported that overall sales in China, including those of passenger cars and commercial vehicles, grew 2.9 percent in the first half from a year earlier to 9.6 million vehicles. Reuters quoted Kevin Wale, GM's China head, as saying that General Motors, China's largest foreign automaker, boosted vehicle sales 10 percent to 213,495 units, led by demand for its Buick sedans and Wuling minivans. Demand from consumers in China's interior provinces will help sales growth remain steady in the second half of the year, Kevin Wale was quoted as saying. According to Reuters, CAAM expects vehicle sales in 2012 to grow 5-8 percent, maintaining the association's forecast for the year. Reports suggest that Chinese economy slowed to the lowest rate in three years and Indian GDP fell to the slowest growth rate in two years.