

Toyota still hampered by sales slide in China

BEIJING (Reuters) - Toyota Motor Corp. is still dogged by a sales crisis Japanese automakers are suffering in China as a result of a territorial row between the two countries but December sales proved "surprisingly resilient", a senior Toyota executive said.

The executive said customer traffic in Toyota's showrooms was recovering to levels seen before the crisis over the disputed islands in the East China Sea broke out last September.

Toyota sold "almost" 90,000 vehicles in China in December, compared with 108,000 cars the company and its two Chinese partners sold in December 2011.

Toyota is expected to announce its China sales data for December on Monday, according to a Beijing-based company spokesman. He did not respond to calls seeking comment on November sales.

The pace of last month's decline -- roughly 17 percent from a year earlier -- eased from the previous three months.

"Sales rebounded faster than we had expected," said the Toyota executive, who declined to be identified because the sales information has not been made public yet.

He attributed the recovery in part to discounts and other sales incentives the Japanese company provided during the month.

Toyota's December sales fall followed a decline of 22 percent in November, 44 percent in October, and almost 50 percent in September.

Even with its recent sales slump in China, the world's biggest new-car market, Toyota is poised to regain the global sales lead from GM in 2012.

Signs in the marketplace across China -- including a recovery in customer traffic in dealer showrooms -- were "encouraging", the Toyota executive said.

Sales patterns showed consumers were no longer as spooked as they were before a surge of anti-Japan sentiment that affected sales at auto stores and other Japanese-branded companies such as electronics firms.

Violent anti-Japan protests swept China from mid-September after Japan bought two East China Sea islands, known as the Diaoyu in Chinese and Senkaku in Japanese, from their private owner. China claims the islands as its own territory.

Demand slumped in September and October, reducing the market share of Japanese firms in China's passenger car market to about 17 percent from 19 percent at the end of August, according to the China Association of Automotive Manufacturers.

Some Chinese consumers have since avoided Japanese cars. In a widely reported incident during the height of the anti-Japanese sentiment, a Chinese man was attacked by angry protesters for driving a Toyota Corolla.

December sales showed Chinese consumers were "not as fearful of buying and driving Japanese cars as before", the Toyota executive said.