

Korean auto sales edge up 0.3% in Sept.

Korean auto sales edged up 0.3 percent in September from a year ago on the back of steady overseas sales, a turnaround from a 7 percent drop in the previous month, industry data showed Thursday.

The combined sales of the country's five carmakers, led by market leader Hyundai Motor Co., came to 673,426 vehicles last month, compared with 671,498 units tallied a year ago, according to data released by the companies.

The other four automakers are Kia Motors Corp., GM Korea, Renault Samsung Motors Co. and Ssangyong Motor Co.

Their domestic sales slipped 6.65 percent on-year to 115,811 units, while overseas shipments edged up 1.86 percent to 557,615 vehicles.

The latest monthly figure showed a remarkable turnaround from a 24.8 percent on-year slump in domestic sales last month and a 2.8 percent dip in exports.

For the first nine months of the year, the cumulative sales of the five firms climbed 5.18 percent on-year to 5.97 million units.

Industry insiders said production normalizations contributed to narrowing the losses in domestic sales last month. Management and labor of Hyundai and Kia reached agreements to raise wages and reduce working hours in August after frequent strikes in July and August.

"After the wage deal concluded, production and supply almost normalized last month," Hyundai said in a release. "Domestic sales picked up on the eased supply shortage."

The company noted that the government plan to reduce taxes on cars to boost slowing domestic consumption will further push up domestic auto sales in the coming months.

Hyundai's domestic sales gained 2.5 percent on-year on the back of the steady-selling Avante compact and Sonata sedans, while its smaller affiliate Kia saw a 7 percent drop in domestic sales.

Domestic sales of GM Korea, the local unit of U.S. General Motors Co., fell 4.9 percent and Renault Samsung suffered a whopping 64.3 percent drop in sales.

Meanwhile, smallest automaker Ssangyong Motor enjoyed robust domestic sales as its new cars lured customers back into their showrooms. Its September sales jumped 34.5 percent on-year thanks to new models like Korando Sports and Korando C.

The carmakers made not-so-bad performances in overseas markets in September as well in the midst of a deepening global economic slump, to make up for the fall in domestic sales, market watchers said.

Hyundai and Kia's overseas sales rose 3.6 percent and 2.5 percent on-year, respectively, to 314,184 and 175,382 units last month as their

production at overseas plants in the United States, China and Europe stayed strong to meet growing demand for popular models like the Optima and the Cee'd.

GM Korea's outbound shipments inched up 1 percent on-year in September, while Renault Samsung's exports sank 40.3 percent and Ssangyong saw a 6 percent decline in overseas sales.

"Carmakers will likely struggle in the remaining months of the year due to concerns over the spread of the lingering European financial crisis and contracted demand in the world car market," said an official at Hyundai. (Yonhap)