

# Hyundai Motor 2017 net profit sinks 20.5%

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Hyundai Motor sales in China slumped by a third last year as Beijing imposed measures against South Korean firms following Seoul's installation of THAAD

South Korea's biggest automaker Hyundai saw profits slump last year, it said Thursday, as it was battered by tougher competition and Chinese retaliation over the deployment of a US missile system.

Hyundai Motor's 2017 [net profit](#) plunged 20.5 percent year-on-year to 4.55 trillion won (\$4.28 billion), even though sales grew 2.9 percent to 96.3 trillion.

Full-year operating profit fell 11.9 percent to 4.57 trillion won.

"The strong won, tougher competition with rivals in major markets such as China and increased marketing costs hit the bottom line," the company said in a statement.

Beijing imposed measures against several South Korean companies follow Seoul's installation of the US Terminal High-Altitude Area Defense (THAAD) system, which China says is against its interests.

Hyundai, which together with affiliate Kia is the world's fifth-largest automaker, was one of the firms boycotted by Chinese consumers.

Hyundai Motor sales in China slumped 31 percent on-year to 785,006 vehicles, while Kia Motors Corp.'s sales plunged 44.61 percent to 360,006 units.

In October-December operating profit declined 24 percent on-year to 775.2 billion won, although sales were almost unchanged at 24.50 trillion won.

But net [profit](#) rose 20.5 percent to 1.29 trillion won thanks to reductions in tax and expenses, a company spokeswoman said.

Hyundai Motor said it expects global vehicle demand growth will remain at "the lowest level since the 2008 financial crisis".

It set a sales target of 4.68 million units this year, slightly higher than the 4.51 million sold in 2017.

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