

# China's January auto sales growth rebounds to 10.7 percent

February 9 2018, by Joe Mcdonald

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In this Oct. 26, 2017, file photo, motorists are clogged with heavy traffic on a city ring road in Beijing. An industry group, the China Association of Automobile Manufacturers, said Friday, Feb. 9, 2018 sales of sedans, SUVs and minivans rose 10.7 percent from a year earlier to 2.4 million. Total vehicle sales including trucks and buses rose 13.6 percent to 2.7 million. (AP Photo/Andy Wong, File)

China's auto sales growth rebounded in January into positive territory,

boosted by strong demand for SUVs, an industry group reported Friday.

Sales of sedans, SUVs and minivans rose 10.7 percent from a year earlier to 2.4 million, recovering from December's 0.7 percent contraction, the China Association of Automobile Manufacturers said. Total vehicle [sales](#) including trucks and buses rose 13.6 percent to 2.7 million.

Sales of SUVs, which make up nearly half of purchases, rose 22.9 percent over January 2017 to just over 1 million.

The industry is coming off lackluster 1.4 percent growth last year as the market paid back a 2016 surge following a sales tax cut that boosted purchases by 15 percent.

Weak demand is a setback for global automakers looking to China to drive revenue at a time when Beijing is pressing the industry to pour resources into developing [electric vehicles](#).

Automakers are forecasting this year's total market growth at 3 to 4 percent, a fraction of earlier double-digit rates. Demand has weakened as economic growth slowed and Beijing and other major cities tightened restrictions on car ownership to curb smog and congestion.

Competition is intensifying as global and Chinese automakers pour billions of dollars into ramping up production of electric vehicles under pressure from Beijing to meet official minimum sales targets that take effect in 2020.

January sales of electric and hybrid vehicles rose 430 percent, though from last year's low base, to 38,470.

"Despite being in a period of policy uncertainty, the trend of sales of

new energy vehicles driven by the market still is relatively strong," said the CAAM general secretary, Cui Dongshu, in a statement.

"The development of new energy vehicles still faces many problems," said Cui. "The energy density of batteries increases very slowly, which has led to low range that cannot satisfy customer demand."

Nissan Motor Co. announced plans this week to launch sales of its all-electric Leaf this year with a Chinese partner. It said they will develop 40 new models—half of them pure-electric or gasoline-electric hybrid—through 2020.

Earlier, Ford Motor Co. announced plans in December to roll out at least 15 new electrics in China by 2025. VW announced in November it will spend \$11.8 billion by 2025 to develop and manufacture all-electric and plug-in [hybrid vehicles](#) for China.

General Motors Co. previously announced plans to start production of a pure-electric [vehicle](#) in China and launch 10 electric or gasoline-electric hybrids by 2020.

—GM said January sales rose 14.5 percent from a year earlier to 367,712 vehicles.

—Ford said sales declined 18 percent to 75,990 vehicles.

—Nissan sales rose 13.1 percent to 135,037.

—Toyota Motor Co. sales rose 12.4 percent to 127,500.

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