
GM's 2019 China sales drop for second year on weak economy

2020/01/07 10:07 στην κατηγορία INTERNATIONAL

General Motors Co's vehicle sales in China fell for a second year as overall auto sales declined amid a slowing economy and because of competition in the key mid-priced sport utility vehicle (SUV) segment.

Sales in 2019 fell 15% from a year earlier to 3.09 million vehicles, GM, China's second-biggest foreign automaker, said in a statement. The company delivered 3.65 million vehicles in 2018 and 4.04 million units in 2017.

GM has a Shanghai-based joint venture with SAIC Motor Corp, in which the Buick, Chevrolet and Cadillac vehicle brands are made. It also has another Liuzhou-based venture, with SAIC and Guangxi Automobile Group, in which they make no-frills minivans and have started to make higher-end cars.

Sales of GM's affordable Baojun brand dropped 27.6% for the latest quarter, while sales of mass-market Chevrolet tumbled 20.1% and Buick fell 16.7%, the statement said. But luxury brand Cadillac's sales increased 3.9%.

GM is focused on bolstering its product lineup and improving cost efficiency, Matt Tsien, GM executive vice president and president of GM China, said in the statement.

"We expect the market downturn to continue in 2020, and anticipate ongoing headwinds in our China business," Tsien added.

China's auto market is set to contract by 2% in 2020, the third year of declines, the China Association of Automobile Manufacturers has forecast, because of the weaker economy and the trade dispute with the United States.

Over 28 million units were sold in 2018, down 3% from the prior year, while 2019 sales are expected to decline 8% from the prior year, according to the CAAM.

The CAAM will announce 2019 full year sales next week.

(Reuters)