China sees record growth in car industry

From Oliver August in Beijing

China boasted record growth in its car industry yesterday with the country promising to become the second largest vehicle market after the US.

The State Statistical Bureau said that more than 180,000 cars had been sold in September while production rose to 190,000 amid hopes of further growth. The production represents a 70 per cent increase for September compared with the same period the year before.

China's total car sales soared 60 per cent to 1.2 million last year, leaving industry giants such as Ford, General Motors and Volkswagen to vie for access. Only a few years ago private car ownership was almost unknown but, after accession to the World Trade Organisation in 2000 and the easing of consumer lending, China has become the fastest expanding automotive market.

Annualised output for the first three quarters of this year surged 87 per cent to 1.44 million. Analysts expect nearly two million cars to be made and sold in China in 2003.

Audi, part of the Volkswagen group, said this week it had raised its expectations for sales growth to more than 60 per cent this year, or a total 60,000 cars. But Audi, which dominates the luxury car market in China, is gearing up for strong competition.

"That shows how dynamic the market is and how the market will be in the next couple of years," Andreas Dejes, executive director of Audi China, said.

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