

User: Password: [Login](#) [Register](#) [Site Search](#)[Go](#) [Adv Search](#)[中文](#) | [Français](#) | [US Edition](#) | [European Edition](#)

CHINADAILY

Cover Story
Bumpy road ahead
for car sales



Friday, Jan 14, 2011

Beijing : -3/-12°C [more cities](#)

Home	China	Business	Metro Beijing	Regional	World	Opinion	Sports	Life	Entertainment	Video	Photo	Debate	Forum
	Government	Think Tank	E-paper	Mobile New s	Language Tips	New sphoto	Culture	Cartoon	China Travel	New sletter	E-Shop		

From Agencies

Yearender: U.S. auto sector under resilient recovery, yet risks lie ahead

Xinhua
Updated: 2010-12-17 20:05:00

[Comments \(0\)](#) [Print](#) [Mail](#) [Large](#) [Medium](#) [Small](#)

CHICAGO, December 17 (Xinhua) -- The U.S. auto sector staged a resilient recovery in 2010 after tiding over the worst time stretching from 2008 to 2009.

The recent relisting of auto giant General Motor (GM) has sent a more promising note to the recovery year. However, analysts still fear there will be risks along the road amid global economic uncertainties.

ALL-ROUND RECOVERY

The three biggest U.S. auto producers, namely, GM, Ford and Chrysler, have posted rosy performances in their vehicle sales so far this year.

Statistics from Autodata Corporation, a leading provider of automotive market data in the United States, showed that by the end of November, GM had sold 1.987 million vehicles in the first 11 months, up by 7 percent from the same period last year.

Meanwhile, Ford and Chrysler had expanded vehicle sales by 21.1 percent and 16.5 percent year on year to 1.74 million and 984,509 vehicles respectively.

GM and Chrysler would lead auto makers to enjoy "gushing profits" when annual U.S. sales reached 15 million units, commented Steven Rattner, former head of the federal government's auto task force.

Although this year was unlikely to see 15-million vehicle sales in the United States, the figure is expected to stand at 12 million to 13 million, said Robert Stutz, managing director of Chicago's investment bank Kinsella Group.

"In the long run, the figure is bound to hike to that level. It's an overwhelming trend," Harry Gao, senior vice president of the Institutional Capital LLC, told Xinhua in an exclusive interview.

The vehicles sold in U.S. market amounted to 12.26 million units in November, which represents a 30 percent increase from its lowest sales in March 2009, data from Bloomberg indicated.

Market analysts widely hold optimistic view on December's sales data, as the United States will embrace a traditional wave of consumption spree during the holiday session in the month.

GM IS BACK

On November 18, auto giant GM debuted the 2010 biggest initial public offering (IPO) on Wall Street, which was cited by President Barack Obama as a major milestone in the turnaround of "not just an iconic company but the entire American auto industry."

Since GM's announcement of bankruptcy in June 2009, the company had weathered painful 17 months for changes. It has shut down or sold many of its brand names, including Hummer, Pontiac and SAAB, conducted a global layoff and massive reshuffle of senior management.

After shaking off the heavy burdens, GM could concentrate its efforts and resources on designing and innovation, which is crucial to an automaker's development. These helped to revive its vehicle sales step by step.

On top of that, the company has given high priority to expanding business in emerging markets such as China, Brazil and India. The emphasis on the emerging markets has contributed a great deal to GM's revival.

Analysts tend to cite GM as a successful transformation model for crisis-hammered U.S. automakers. Ford, though survived the crisis, had to sustain normal operation by cashing in its brands, including Volvo, Land Rover and Jaguar. Chrysler had gone through even drastic reshuffles.



RISK AHEAD

Despite the encouraging sales figures in 2010, the global economic uncertainties could still disrupt the recovery.

According to U.S. Labor Department, the country's unemployment rate climbed to 9.8 percent in November after holding steady for months, dampening analysts' high expectations and raising concern that the economic recovery is losing steam.

When people were increasingly concerned about their employment prospects, they were much more reluctant to consume, especially buying new cars, and they would instead choose to fix their old cars and continue to use it, said Gao.

He added the U.S. banks also tightened auto loans after the financial crisis and has not relaxed much yet, which could also weigh on the auto market since a large part of vehicle purchase were from bank loans in the United States.

The European countries are still struggling with sovereign debt crisis, as no quick end is in sight. Fresh statistics showed that first-tier countries such as Germany and France even saw a worse-than-expected Consumer Price Index (CPI) an employment data in the non-farm sector.

Stutz noted that as the world's traditional vehicle markets were withering, car makers had to expand their presence in the emerging markets, such as China, India and Brazil, and the rapid growth of emerging market has played a crucial role in helping GM get to its feet from bankruptcy.

STRUCTURAL CHANGE

"Although the U.S. auto market will come back to its long-term average level as a whole, we will see some structural changes within this sector," said Gao.

Automakers from Japan and South Korea, featuring high efficiency and low fuel consumption, would gain more share in the U.S. market, Gao said.

Statistics showed that Honda's market share expanded to 10.3 percent in November from 9.9 percent in the same period of 2009. Besides, Nissan and Hyundai also saw an increase in their market shares.

Although Toyota's share in November declined from the same period of last year due to recalling, it has gained a lot from the previous few months and "that's proving consumers' high recognition of this brand," said Gao.

Comments(0) Print Mail Share

Google 提供的广告

[VW CC Sport vs Regal](#) [www.Buick.com/Regal](#)

See How Buick Regal Stacks Upto the VW CC Sport. Compare Now.

[Looking for a GM Vehicle?](#) [www.Chevrolet.com/Vehicles](#)

Come See What Chevy Vehicles Have to Offer. Learn More Here.

[Zipcar Car Sharing](#) [www.Zipcar.com](#)

Find Zipcars In NYC. Join TodayGet \$50 Free Driving. Gas Included.

[Acura TL vs Cadillac CTS](#) [www.Cadillac.com/CTS](#)

See How Cadillac CTS Stacks Upto the Acura TL Sedan. Compare Now.

[New Ford](#) [www.YourTriStateFordDealers.com](#)

Locate Your Nearest FordDealer and Save Today!

| [About China Daily](#) | [Advertise on Site](#) | [Contact Us](#) | [Job Offer](#) |

Copyright 1995 - 2011 . All rights reserved. The content (including but not limited to text, photo, multimedia information, etc) published in this site belongs to China Daily Information Co (CDIC). Without written authorization from CDIC, such content shall not be republished or used in any form. Note: Browsers with 1024*768 or higher resolution are suggested for this site.

License for publishing multimedia online 0108263

Registration Number:
2010000002731

