

German carmakers warn virus to shrink China market

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China's car market could shrink up to seven percent year-on-year in 2020 as the effects of the novel coronavirus outbreak bite, Germany's VDA manufacturers' association said Thursday.

"It was a weak start to the year," VDA president Hildegard Mueller told a Berlin press conference, noting that sales in the first two weeks of February were down 92 percent.

"Even before the coronavirus crisis, we expected a fall of two percent in the Chinese market, and we are now assuming a scenario with a drop of up to seven percent," Mueller added.

"We shouldn't expect a quick recovery."

China's CPCA carmakers' group judged the fall in deliveries could mount as high as 70 percent year-on-year in February, and 40 percent in January-February combined.

"The coronavirus is freezing the world's biggest [car market](#)," German industry expert Ferdinand Dudenhoeffer said.

Production dips arising from supply shortages "can be caught up", Dudenhoeffer predicted, but "the fall in [economic growth](#) and demand will persist."

With 35 percent of German carmakers' [worldwide sales](#) stemming from

China, a weak market there presents "major risks", the professor said.

Sales in China had already slumped 10 percent last year under the effect of trade wars with the United States.

Looking to the worldwide market, Germany's VDA sees car sales falling three percent in 2020, while credit rating agency Moody's predicted 2.5 percent.

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