

China auto sales fall in April but loss narrows

12 May 2020, by Joe McDonald



In this Wednesday, May 6, 2020, photo, workers wash the area near an advertisement for a car in Beijing. China's auto sales declined again in April but losses narrowed in a sign the industry's biggest global market is recovering from the coronavirus pandemic as Beijing eases anti-disease controls, according to an industry group. (AP Photo/Ng Han Guan)

China's auto sales declined again in April but losses narrowed in a sign the industry's biggest global market is recovering from the coronavirus pandemic as Beijing eases anti-disease controls, according to an industry group.

Sales of SUVs, sedans and minivans were down 2.6% from a year earlier at 1.5 million, an improvement over March's 48.4% contraction, the China Association of Automobile Manufacturers reported.

"The auto market has obvious signs of recovery," the group said in a statement.

CAAM said SUV sales showed a "small increase" gave no details. It said sales of other [vehicle](#) categories were lower.

Sales plunged 81.7% in February, hammering global automakers that look to China to drive revenue growth, after dealerships and other businesses were shut down to fight the try to stop the virus's spread.

The ruling Communist Party started reopening factories, restaurants and stores in March after declaring victory over the outbreak. But consumers who are uneasy about job losses or a resurgence of the virus are reluctant to make big purchases.

For the first four months of the year, passenger vehicle sales were down 35.3% from a year earlier at 4.4 million, according to CAAM.

Demand already was weak due to consumer jitters about a tariff war with Washington and slower economic growth. Sales fell 9.6% last year, their second straight annual decline.



This March 24, 2020, file photo released by Xinhua News Agency, show workers at an assembly line for Dongfeng Passenger Vehicle Company in Wuhan, in central China's Hubei Province. China's auto sales declined again in April but losses narrowed in a sign the industry's biggest global market is recovering from the coronavirus pandemic as Beijing eases anti-disease controls, according to an industry group. (Xiao Yijiu/Xinhua via AP)



Residents cross an overhead bridge on a busy road in Beijing on Tuesday, May 12, 2020. China's auto sales declined again in April but losses narrowed in a sign the industry's biggest global market is recovering from the coronavirus pandemic as Beijing eases anti-disease controls, according to an industry group. (AP Photo/Ng Han Guan)

The downturn is squeezing brands that are investing billions of dollars to develop [electric vehicles](#) under pressure to meet government sales targets.

April sales of battery-powered and gasoline-electric hybrid vehicles fell 26.5% from a year ago in April to 72,000. For the first four months of the year, sales were off 43.4% at 205,000.

Demand for electrics weakened last year after Beijing reduced subsidies that helped to make China their biggest market, accounting for half of global sales. The government announced last month it will extend subsidies through 2020 to shore up sales.

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