

CHINESE CAR MARKET OVERTAKES JAPAN

The market for private cars in China has seen astronomical growth in recent years. 10 years ago, there were hardly any privately-owned vehicles in the country. Today there are more brands available in China than the US, and car production has recently exceeded that of Japan. This makes China the second largest producer of cars in the world after the US.

Almost 7 million motor vehicles were sold in China last year and industry experts are anticipating a 20-25% rise in 2007. Many of these are models that have sprung from joint ventures with European manufacturers like Volkswagen. Interestingly, British cars are highly revered in China (and in Japan come to that), a fact that Shanghai-based 'Shanghai Automotive' are keen to exploit.

The company is producing its first range of cars based on designs from former British manufacturer MG Rover. Playing strongly to the British heritage of the vehicles, production workers learn all about British

motor heritage in some detail before venturing onto the production lines. Another local manufacturer 'Nanjing Automobile' plans to produce its own versions of the Rover 75 saloon and MGF roadster.

Meanwhile sales of China's own brands are also growing steadily. As labour is cheap, the cars are inexpensive and many would-be motorists are keen to get behind the wheel of their first car. Like the Japanese before them, Chinese automakers tend to focus on the small end of the market. Brands like the Chery, made in Zhejiang, are snapped up by eager young buyers (the cars also come in a range of bright neon colour schemes).

So how long will it be before these Chinese brands find their way onto the export market? It's a question which industry experts find hard to answer. With such a vast home market to tap into, it seems likely local consumers will be served first before manufacturers go global. Currently only a handful of Chinese cars are sold overseas.



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