Lamborghini sees 20-30% rise in supercar sales

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China's supercar market will grow at between 20 percent and 30 percent annually over the next five to 10 years, according to the general manager in Asia-Pacific for the famous Italian brand, Lamborghini.

AUTO

Christian Mastro admitted that the current economic slowdown is having an effect on sales of his cars this year, describing the market currently as "a little quiet".

But after enjoying a 150 percent surge in year-on-year sales in 2010, and a 70 percent rise in growth last year, Mastro insists the future of his business in China is "bright", despite a sluggish economy and vehicle purchase limits in four Chinese cities, including Guangzhou.

"Compared with mature markets like the United States or Japan, the supercar-market share in total vehicles sales is quite small in China.

"But long-term, the sector will grow by 20 to 30 percent annually on average over the next five to 10 years," he added.

The famed Italian sports car maker expects this year's sales in China to roughly keep pace with last year's 342 units, which accounted for a fifth of its total global sales.

In the first six months, Lamborghini has delivered more than 120 super sports cars to Chinese consumers.

Lamborghini can take up to 18 months to be delivered.

Mastro added: "The supercar segment is very product-oriented. The launch of our latest model, the Aventador, will boost sales. And when our SUV model, the Urus, which made its world premiere at the Beijing auto show this April, goes into mass production and hits the market, we expect a surge in sales."

According to the latest figures from the China Association of Automobile Manufacturers, vehicles sales in China rose 9.9 percent in June from a year earlier to 1.58 million units. That brought the sales for the half year to 9.6 million, up 2.9 percent year-on-year.

Although China's car market is slowing for the first time in two years, the sale of luxury brands still increased by 30 percent and the super luxury brands enjoyed a more than 60 percent surge.

Statistics show that of all sales in Europe and North America, 0.2 percent were of super luxury vehicles.

However, the figure was just more than 0.05 percent in China, indicating massive growth potential in the sector, experts said.

Since Lamborghini officially entered China through its first showroom in Beijing in 2005, it has made the country the largest market for its brand in 2011.

After establishing itself in China's first-tier and costal cities, Lamborghini is making efforts to take advantage of the huge potential from China's second and third-tier cities in inner land.

This week, it opened its 13th, and 14th dealerships in the country: in Wuhan, Hubei province, and in Kunming, Yunnan province, to support its strategy of tapping China's growing central and western regions.

"There's strong natural demand in these new markets as more and more young Chinese seek an individual and uncompromising lifestyle," Mastro said.

The company plans to have 20 dealerships across the nation by the end of the year and 26 by 2017.

Maserati, another top Italian luxury and sports car brand, recently reported it saw sales double in the country to 800 units in 2011, which helped China overtake Germany to become its second-largest market in the world.

PENG ZHAOZHI / XINHUA

A Lamborghini sports car is shown on April 29 at an expo in Yinchuan, the capital of the Ningxia Hui autonomous region.

Youngman Automobile Group gets nod for Viseon deal

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China's privately owned automaker Youngman Automobile Group Co has obtained provincial government approval to buy a major stake in Germany's Viseon Bus GmbH,

DEALS

in the Chinese company's latest attempt to acquire an European automaker after its failed bid for Saab.

According to a statement on the Zhejiang Provincial Development and Reform Commission's website, the local government has allowed Youngman to invest 10 million euros ($12.30 million) in Viseon, a German maker of city buses, coaches and airport shuttle buses.

The Jinhua-based car and bus maker will use 1 million euros to buy a 74.9 percent stake from Viseon's two shareholders, JR Bus Consult & Production GmbH, which owns a 61 percent stake, and BartConsult Kereskedelmi, which owns 39 percent of the German automaker.

Once the acquisition is completed, Youngman will provide an additional 1 million euros to the original shareholders and will invest another 3 million euros in Viseon, as well as provide a 5 million euro loan to support the company.

The statement said that the company will finance the acquisition with its working capital.

A spokesman for Youngman couldn't be reached on Tuesday.

Analysts said that the deal is very "reasonable" for Youngman, compared with its previous bid for Sweden's Saab AB.

However, "Youngman should pay attention to the relationship between shareholders and think carefully before it takes out its wallet, based on its experience from the Saab bid", said an analyst who declined to be named.

Viseon reported a net loss of 2.26 million euros in 2011, with total sales revenue of 31.07 million euros. As of Dec 31, Viseon had a net assets deficit of 3.83 million euros.

"The investment in Viseon consolidates our premium position within the Chinese bus manufacturers segment," Pang Qingnian, founder and president of Youngman, said after the two sides reached an initial agreement in May.

Youngman, the largest bus maker in China, has obtained licenses from German commercial vehicle brand Neoplan to produce Neoplan buses and coaches for the Asian market since 1994. It has an about 80 percent market share of China's bus segment, with more than 4,800 buses sold in 2011.

Viseon also makes Neoplan-branded vehicles after it took over the bus factory in Pilsting, Germany, in 2009, which was started by Neoplan more than 30 years ago.

In October, Youngman's subsidiary Zhejiang Youngman Lotus Automobile Co Ltd and Pang Da Automobile Trade Co agreed to launch a joint $140 million takeover of Saab and its UK dealer network, which would have given Youngman a 60 percent stake in the Swedish company and Pang Da the remaining stock.

However, the bid was stopped by General Motors Co, which had preferential shares in the Swedish company and technology ties with Saab. GM was worried that Saab's technology would greatly boost the Chinese automaker's competitiveness in its largest market.