

Mail Stop 3561

March 7, 2007

Via Fax & U.S. Mail

Mr. Hanlin Chen, Chief Executive Officer  
China Automotive Systems, Inc.  
No. 1 Henglong Road, Yu Qiao Development Zone  
Shashi District, Jing Zhou City Hubei Province, China 434000

**Re: China Automotive Systems, Inc.  
Form 10-K for the year ended December 31, 2005  
Filed March 31, 2006  
File No. 000-33123**

Dear Mr. Chen:

We have reviewed your response letter dated February 21, 2007 and have the following comment. Unless otherwise indicated, we think you should revise your document in future filings in response to this comment. If you disagree, we will consider your explanation as to why our comment is inapplicable or a revision is unnecessary. Please be as detailed as necessary in your explanation. In our comment, we may ask you to provide us with information so we may better understand your disclosure. After reviewing this information, we may raise additional comments.

Please understand that the purpose of our review process is to assist you in your compliance with the applicable disclosure requirements and to enhance the overall disclosure in your filing. We look forward to working with you in these respects. We welcome any questions you may have about our comment or any other aspect of our review. Feel free to call us at the telephone numbers listed at the end of this letter.

Please respond to confirm that such comment will be complied with, or, if the comment is deemed inappropriate, advise the staff of your reason. Your response should be submitted in electronic form, under the label "corresp" with a copy to the staff. Please respond within ten (10) business days.

Mr. Hanlin Chen, CEO  
China Automotive Systems, Inc.  
March 7, 2007  
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Annual Report on Form 10-K for the year ended December 31, 2005

Management's Discussion and Analysis of Financial Condition and Results of Operations, page 23  
2005 Versus 2004, page 31  
Selling Expenses, page 33

1. We note your responses to our prior comments 1 and 2 and request that you include additional disclosure in future filings to clarify why although both warranty and 3-R guarantee expenses represent warranty expense, the expenses are classified differently as selling and general and administrative expenses, respectively. Given that 3-R guarantees are paid to auto manufacturers in advance and such amounts are used for warranty expenses related to parts which you supply, it is unclear to us why such you classify these expenses as marketing under general and administrative expenses rather than as selling expense with your general warranty expense. Please expand your disclosure in future filings to clarify your accounting for these two expenses and why you believe your classification of these expenses is appropriate. Please provide us with your proposed disclosure in your response.

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You may contact Heather Clark at 202-551-3624 or Jean Yu at 202-551-3305 if you have questions regarding comments on the financial statements and related matters. Please contact me at 202-551-3813 with any other questions.

Sincerely,

Linda Cvrkel  
Branch Chief