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# GM faces declining sales and price wars in largest markets

By Ben Klayman (excerpt)  
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DETROIT (Reuters) - General Motors Co's (GM.N) investors will see on Thursday how the Detroit carmaker is weathering declining sales and mounting price pressures in its largest markets when it reports second-quarter earnings.

Slumping industry demand in China, the world's largest auto market, and an escalating price war in the lucrative U.S. pickup truck segment are ratcheting up the pressure on GM. Other automakers, including U.S. rival Ford Motor Co (F.N) and Germany's Daimler AG (DAIGn.DE), offered disappointing forecasts last week.

In April, GM Chief Executive Mary Barra said her "confidence in the year ahead remains strong," citing the company's new full-size pickup truck launch and the automaker's ongoing business transformation.

Investor David Kudla, chief investment strategist for Michigan-based Mainstay Capital Management, said GM must "carefully juggle" its restructuring with the rollout of its high profit vehicles even as it invests for the industry's future while facing such headwinds as declining global sales. ...

... GM has laid out plans to introduce around 20 new models or variants of older ones this year, most in the second half. Profit pressure could increase as it launches a series of lower-margin electric vehicles over the next several years.

...

... GM executives previously said they were "bullish" on sales in the segment for the rest of the year, and have cited the introduction of more profitable models as the launch continues.

GM Chief Economist Elaine Buckberg said this month that U.S. industry sales were strong in the first half and should remain so in the second half and get even more support if the Federal Reserve cuts interest rates as expected. ...