

Chip shortage leaves 95K GM vehicles unfinished in storage

July 1 2022



GM Logo Gradient (01-28-21) This image provided by General Motors shows the GM Logo. The global shortage of computer chips forced General Motors to build 95,000 vehicles without certain components during the second quarter. The Detroit automaker said in a regulatory filing Friday, July 1, 2022, that most of the incomplete vehicles were built in June, and that it expects most of them to be finished and sold to dealers before the end of the year. Credit: General Motors via AP

The global shortage of computer chips and other parts forced General Motors to build 95,000 vehicles without certain components during the second quarter.

The Detroit automaker said in a regulatory filing Friday that most of the incomplete vehicles were built in June, and that it expects most of them to be finished and sold to dealers before the end of the year.

The unsold vehicles amounted to 16% of GM's total sales from April through June. The company said Friday that it sold more than 582,000 vehicles during the quarter, down more than 15% from a year ago.

The company reaffirmed its full-year net income guidance of \$9.6 billion to \$11.2 billion with pretax earnings of \$13 billion to \$15 billion. For the first time the company predicted that it would make \$2.3 billion to \$2.6 billion before taxes in the [second quarter](#). That fell short of [analyst estimates](#) of \$3.97 billion, according to FactSet.

The chip shortage has vexed automakers across the globe since 2020, forcing many automakers to temporarily close factories and trim production. The shortage has limited the supply of new vehicles on dealer lots in the U.S. to around 1 million, when in normal years it's about 4 million at any given time.

That has pushed prices to record levels and limited vehicle selection, but it's also led to strong profits for most automakers.

In a prepared statement, GM said its North American production has been relatively stable since the third quarter of last year, but short-term parts disruptions are continuing. "We are actively working with our suppliers to resolve issues as they arise to meet pent-up customer demand for our vehicles," the statement said.

Most automakers have predicted minor improvement in the [chip](#) shortage during the first half of the year, with far better supplies from July through December.

GM shares fell slightly to \$31.69 in Friday morning trading, after the filing was made public.

© 2022 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed without permission.

Citation: Chip shortage leaves 95K GM vehicles unfinished in storage (2022, July 1) retrieved 25 April 2024 from <https://techxplore.com/news/2022-07-chip-shortage-95k-gm-vehicles.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--