

GM reports higher Q3 sales as strike tests outlook

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General Motors' Cadillac brand has lower inventories than the national average, a dynamic that could challenge the carmaker in a prolonged strike.

General Motors reported higher third-quarter US auto sales Tuesday behind robust consumer demand, notching a strong performance that

will be tested by an ongoing labor strike.

The big US automaker scored a 21 percent jump in auto deliveries to 674,336 behind strong gains in models such as the popular Silverado pickup line and the GMC truck brand.

The impressive sales come as GM—along with Detroit rivals Ford and Stellantis—faces a widening United Auto Workers strike as the union seeks hefty wage increases and a fortification of benefits.

Later on Tuesday, Chrysler owner Stellantis posted a decline in its third quarter sales in the United States.

Stellantis North America reported sales of 380,563 vehicles in the July-to-September period, down one percent on the same quarter last year.

"We've gained traction over the summer and we're starting to see some momentum at the end of this third quarter," the company's US head of sales, Jeff Kommor, said in a statement published alongside the results.

Modest GM inventory levels

Some analysts have said GM is the worst-positioned of the three companies because of its more modest vehicle inventory levels.

All four of GM's main brands scored sales gains, with three of the four seeing double-digit increases, reflecting improved vehicle availability after supply chain difficulties crimped inventories in the year-ago period.

"Customer demand for our vehicles continues to be strong, and that's the biggest aspect you see in our results and will drive us going forward," said a GM spokesman.

They pointed out that GM's quarter-ending inventories of 442,586 autos represents the highest level since late 2020.

But that figure is far below pre-pandemic levels. At the end of 2018, GM had 755,000 available units.

A presentation from Cox Automotive said GM brands Chevrolet and Cadillac had lower-than-average US inventories, while Ford and Stellantis brands Jeep and Ram had supplies above the national average.

"The strike could not have come at a worse time given their recent momentum," Cox economist Charlie Chesbrough said of GM last week on a webcast.

Jonathan Smoke, another Cox economist, described the strike's impact as "muted" thus far.

But Smoke characterized a long-running stoppage as a threat given that automakers have only recently improved their vehicle availability.

"If the strike lasts beyond Thanksgiving (in late November), the industry is likely to see a setback and a repeat of much of the dynamics we saw in 2021," when inventories were crimped due to supply chain issues, he said.

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