General Motors says labor strike led to $194 mn 4Q loss

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lengthy labor strike in the United States, while projecting lower 2020 industrywide sales in the US and China.

The US auto giant said a 40-day strike that shuttered US factories dented fourth-quarter profits by $2.6 billion, bringing the total negative impact for 2019 to $3.6 billion.

The company reported a loss of $194 million, compared with $2 billion in profits in the year-ago period.

Revenues fell 19.7 percent to $30.8 billion.

GM has said previously that it had sufficient inventory prior to the strike to keep dealerships adequately supplied but that the strike impact derailed production of its top-selling trucks.

GM plans a spate of launches of new full-size sport utility vehicles in North America, although it projected lower overall US sales in 2020.

The company also expects lower overall sales in China, where tough competitive pressures have been exacerbated of late by the coronavirus outbreak.

Despite these effects, GM said it is positioned for long-term growth in China.

GM projected 2020 profits of $5.75 to $6.25 per share in 2020. Analysts have forecast $6.23 per share.

Shares of GM rose 2.1 percent to $35.10 in pre-market trading.

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