
Slowdown signs - GM sees July sales may weaker than a year ago

Friday, 17 Jul, 2009

AP quoted Mr Fritz Henderson CEO of General Motors Co as saying that July auto sales are weak compared with the same month last year, but it's still early. He added that it seems like industry wide US sales will once again fall below an annual rate of 10 million vehicles this month.

The new GM, which just emerged from Chapter 11 bankruptcy protection, has said its debt load and other expenses have been reduced so much that it can become profitable at a 10 million to 10.5 million annual sales rate. The struggling automaker has lost more than USD 80 billion in the past four years and has received USD 50 billion in loans from the US government.

US industry sales so far this year have been running below a 10 million annual sales rate as the economy has sputtered. GM's sales for the first half of the year are off 40%, while the overall US market is down 35%.

Mr Henderson said that GM has struggled all year with weak sales while trying to significantly reduce its dealer inventory, but the inventory problem has been corrected. He added that "Certainly there's a huge amount to be yet injected into the economy and I think we're pretty optimistic about it."

GM is hoping some will consider the LaCrosse, which the company is counting on to help bring younger buyers back to the Buick brand. The average age of the current LaCrosse buyer is around 70, and GM is hoping to lower that into the 50s with a product that is far more competitive with similar size models from Japanese luxury brands Lexus and Acura.

GM has high expectations for the sedan, which engineers say has the quietest wind noise level in company history, in part due to aerodynamics and windshield and front-seat side windows made of glass laminated with quieting plastic in the middle.

(Sourced from Associated Press)

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