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GM, future-minded, has nagging near-term challenges

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(Excerpt)

DETROIT -- By the time her term as General Motors CEO ends, Mary Barra wants the automaker to be recognized as an undisputed technology leader rather than just an automaker and onetime ward of the federal government.

"That is my goal. That is what drives me," she said Monday during a Q&A at the CityLab urban advancement conference in Detroit.

GM has won some praise for a long-term vision that includes bold investments in electrification and autonomous driving technology.

But to fully change the narrative on GM, Barra will have to slog through some near-term operational headaches, the very type that landed GM in trouble a decade ago.

Wednesday's third-quarter earnings report could shed more

light on those challenges, and how GM plans to navigate them.

Metrics such as sales, headcount and production capacity may begin testing the automaker's resilience heading into 2019 and beyond.

Those are in addition to new challenges associated with GM's determination to lead the development and deployment of autonomous and electrified vehicles.

Both sets of challenges are headwinds Barra and GM's management team may want to address while the industry is level instead of on the decline. It's something Ford Motor Co. is undertaking with an \$11 billion restructuring that includes reducing its salaried workforce of 70,000. ...

... The capacity issues are exacerbated by slowing sales in both North America and China -- the world's and GM's largest vehicle market.

Industry experts expect sales in North America to plateau following record levels, while China is slowing on weak underlying demand, pressure on automotive financing and unexpectedly slow economic growth.

"GM, like all autos, are facing strong headwinds -- rising interest rates, higher costs due to tariffs, higher commodity pricing, and an economic slowdown in China," said David Kudla, chief investment strategist ...