

GM reports lower sales in China, North America

April 30 2019



Shares of General Motors fell after it reported lower first-quarter sales in North America and China

US automaker General Motors saw profits more than double in the first

quarter, but said Tuesday that lower sales in China and North America ate into total revenues.

The news undercut the company's [share price](#), despite posting net income of \$2.2 billion, twice that of the same period of last year, a gain boosted by the one-time impact of a favorable tax court ruling in Brazil.

But revenues fell 3.4 percent to \$3.9 billion, and excluding special items, operating earnings dropped 11.5 percent, the company said.

GM has been projecting [auto sales](#) in China to hold steady in 2019 compared to 2018, despite an economic slowdown that has dented auto demand. But [first quarter](#) sales in the country fell 17.5 percent to 813,973 compared to a year earlier.

While there are expectations that government stimulus will help spur a recovery in the Chinese market, "we have yet to see that translate into auto demand," said Chief Financial Officer Dhivya Suryadevara.

"There's still not enough specifics around what the stimulus is going to be," she said, adding that GM has a slate of new vehicle launches in China in the second half of the year.

Auto sales also declined in North America, due in part to planned downtime at the company's sport-utility vehicle factories, offset somewhat by strong demand for new pickup trucks.

GM became a political punching bag last year after announcing plans to cut thousands of jobs and shutter seven plants worldwide, including five in North America.

Suryadevara said the company has no plans for additional cutbacks.

Shares of GM fell 2.5 percent to \$39.00 as trading opened.

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