GM to cut more than 1,000 US jobs tied to small cars

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Sales of the Chevy Cruze dropped 32 percent in the last four years as Americans have shunned small cars in favor of SUVs, prompting General Motors to cut back on production

General Motors will cut more than 1,000 jobs in the US tied to

production of sedans that are in low demand, the automaker said Friday.

The cuts will affect GM's factory in Lordstown, Ohio, where the biggest US automaker produces the Chevrolet Cruze.

Sales of the vehicle have dropped 32 percent in the last four years, the company said, part of a broader trend in the US that has seen consumers ignore small cars in favor of sports utility vehicles and larger "crossover" cars amid low gasoline prices and a recovering economy.

The Ohio plant, which currently employs around 3,000 people, has built cars in two shifts. The ramp-down follows an "historic" shift in the market, a GM spokeswoman said in an email.

"As we look at the market for compact cars in 2018 and beyond, we believe a more stable operating approach to match market demand is a one-shift schedule," the spokeswoman said. "Consequently, we will suspend the second shift of production at Lordstown late in the second quarter of 2018."

GM notified regulators that up to 1,500 jobs could be impacted by the move, with the final number to be determined in the coming weeks.

Last year, GM sold 150,000 Chevy Cruze cars in the US, all produced at Lordstown. Since the start of 2018, sales of the vehicle have dropped 28 percent, according to auto consultancy and data firm Autodata.

In total, sales of small US cars have fallen 13.2 percent since the start of 2018, while sales of large cars have risen seven percent.

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