

GM To Cut Truck Production Next Month

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DETROIT (AP) — General Motors Co. is cutting its production of pickup trucks next month, a sign that truck sales aren't as robust as the company had hoped.

Spokesman Tom Wickham said Thursday that GM cancelled five scheduled overtime shifts on Saturdays in September and October. Wickham didn't know how many vehicles would be involved, but the Flint, Michigan, plant where the pickups are made can produce 900 trucks per day.

Full-size pickup truck sales were up 9 percent for the year through July in the U.S., compared with a year earlier, according to Autodata Corp. But that increase was smaller than the industry saw as a whole. Continuing weakness in the housing and construction sectors has dampened demand for trucks. Sales of the Chevrolet Silverado, GM's best-selling truck, were up 7 percent.

GM rehired 750 laid-off auto workers for a third shift at the Flint plant earlier this month, saying it needed the extra production to keep up with demand for heavy-duty trucks.

Auto analysts have questioned the move, pointing out that GM's truck inventory is already at higher than normal levels and truck sales have been sluggish with continuing weakness in the construction industry. At the end of July, GM had 115 days' worth of pickups to sell. An 80-day supply is more typical.

GM's Vice President of Sales Don Johnson has acknowledged the high inventory, but said the company is anticipating higher truck sales in the second half of this year. He also said GM wants a healthy supply of trucks in 2012, when it plans to shut down several truck plants to change over to new products.

Johnson said the company aims to have a 90-day supply of trucks at the end of 2011. He said GM would cut production before resorting to big discounts to sell off excess supplies.

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