

GM CEO Sees U.S. Sales Gains This Year

Tom Krisher, AP Auto Writer

DETROIT (AP) — General Motors' CEO said Wednesday that he expects the company to steal sales from rivals in the U.S. this year as its new cars and trucks gain traction with customers.

Dan Akerson told reporters that he sees a modest gain in U.S. market share, helped by the rollout of the Chevrolet Silverado and GMC Sierra pickups and two Cadillac sedans. He also expects the company to do well globally during the next two years.

"The sun will be on our backs. These will be good years," he said.

The 64-year-old Akerson spoke at a morning roundtable with reporters in Detroit. After his positive forecast, GM's stock price reached a 52-week high of \$30.28 before pulling back to close at \$29.97, a 2 percent gain for the day.

Despite turning big profits last year, GM stumbled in key areas. Its U.S. market share slipped from 19.6 percent to 17.9 percent, the lowest share in recent history and perhaps the smallest since GM was founded in 1908. GM's sales grew less than 4 percent in the U.S. compared with total industry growth of 13 percent.

But Akerson said GM charged high prices and made good profits on cars and trucks despite having the oldest model lineup in the U.S. industry. GM has pledged to redo or update 70 percent of its lineup in North America by the end of 2014.

Chevrolet, which saw sales rise 4.3 percent sales last year, should see bigger growth because of the new pickup trucks and other vehicles, he said. He predicted Cadillac would take market share from Mercedes-Benz, BMW, Lexus and Audi. Cadillac introduced an ATS small sports sedan and the XTS large sedan last year, and it will get new or updated versions of its other models this year.

"I do think we'll grow faster than the market," he said. "Certainly that's our hope and that's our expectation. I can't guarantee the future any more than you can," he said.

GM expects total U.S. sales to rise to 15 million to 15.5 million this year from 14.5 million in 2012.

The 64-year-old Akerson, a former telecommunications and private equity executive who has been CEO since August of 2010, expects to be in the job next year. But he wouldn't comment beyond that.

Also during the hour-long discussion at GM's Detroit headquarters, Akerson said:

— The company hopes to regain investment-grade credit status this year. GM is

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working with credit rating agencies to raise its status from junk, where it's been since 2005. Akerson said the company's recent \$11 billion credit line received investment grade rating, showing that banks are ahead of the ratings agencies. Companies with investment grade ratings can borrow money at lower interest rates than those with junk status.

— The U.S. government's plan to sell its stake in GM by early 2014 should help the company attract more customers. Some people won't buy from GM as long as the government owns a stake, which is currently 19 percent. The government owned as much as 60 percent of the company after bailing it out in 2009. Taxpayers, however, are still roughly \$22 billion in the hole on the \$50 billion bailout.

— GM should be able to cut its European loss by one-third to one-half this year even as the region's economy falters. The company predicts that Europe will be profitable by 2015. GM has lost billions of dollars in the region in the past dozen years.

— GM has discussed with the United Auto Workers union about a lump-sum buyout of worker pension plans. Currently GM's U.S. pension plan's assets are \$13.4 billion less than its obligations. GM last year offered lump sum buyouts to white-collar workers and shifted pension responsibilities to an insurance company annuity in an effort to reduce the obligations.

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