



Trump threatens to cut off GM subsidies over job cuts

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In October, nearly 65 percent of new vehicles sold in the USA were trucks or SUVs.

Component sharing and expanded use of virtual tools will further reduce costs and lower development times respectively, with GM predicting that by the turn of the decade, 75 per cent of its global sales will derive from just five vehicle platforms.

During its third-quarter earnings report last month, General Motors said it had benefited over \$150 million in tax savings so far in 2018 from the GOP tax reform legislation passed past year.

But Trump warned his administration is now considering cutting all subsidies for GM, including for electric vehicles.

Ms Keller added that boosting electric-car output will be important for the Chinese market. The news sent General Motors stock shares into a tailspin, despite earning as much as five percent in trading after the closures were announced on Monday.

Tesla Inc. has already reached the cap and GM is expected to be next.

White House economic adviser Larry Kudlow also expressed disappointment after meeting with GM's CEO Mary Barra on Monday.

Months later, though, Trump imposed new tariffs on imported steel and aluminum that increased prices for many American manufacturers, including carmakers.

The president is threatening to cut the funding as a way to get GM to back down on its announcement about plant closings and job cuts, GM doesn't appear ready to back down.

The reductions could ripple through auto parts suppliers such as Aptiv and Magna International, Michaeli said. That means GM needs to allocate more resources to purely electric cars, unlike the hybrid Volt, and to autonomous technology, Barra said.

"He's looking into what those options might look like", she said. The credit begins to phase-out after an automaker sells 200,000 eligible vehicles, such as the Chevrolet Bolt electric auto.

Barra said that the goal was to make the company more efficient.

The company expects to take a pretax charge of \$3 billion to \$3.8 billion due to the actions, including up to \$1.8 billion of asset write downs and pension charges. It was also the first dip in quarterly sales GM has posted in a year.

GM's moves to restructure the company mark one of the most aggressive move yet by a big automaker to transition from making cars powered by internal combustion to ones built around software and electrically charged batteries.

As recently as 2012, passenger cars made up more than 50 percent of all US new vehicle sales. As Scott Lincicome, a trade attorney and senior fellow at the Cato Institute, pointed out on Twitter, that \$1 billion could have paid for a years' salary for 24,000 assembly line workers (who make an average salary of \$41,000).

GM will jettison the Buick LaCrosse, Chevrolet Impala and Cadillac CT6 sedans next year.

The U.S. automobile manufacturer announced Monday it plans to cease work on the Chevrolet Cruze at a Lordstown, Ohio, plant and on three Chevy, Buick and Cadillac models at a Detroit-Hamtramck facility in MI.

Plants in Baltimore, Maryland, and Warren, Michigan that assemble powertrain components will have no products assigned to them after 2019 and thus are at risk of closure, the company said.

Senator Rob Portman is urging GM to bring a new the production of another vehicle to the Lordstown plant. "They are not closing our damn plant without one hell of a fight".