

GM may reduce pickup production to trim inventories

DETROIT (Bloomberg) May 4 -- [General Motors Co.](#) may reduce production of pickups after inventories rose last month, Mark Reuss, president for North America, said today.

"We're going to do something about it, but we haven't made those calls yet," Reuss said in a telephone interview. Buyers shifted away from trucks last month, "but no one month makes a trend, so we've got to see where this one holds," Reuss said.

GM's truck inventory rose to more than 275,000 at the end of April, or about 111 days of supply, Don Johnson, GM's vice president of U.S. sales, said yesterday on a conference call.

The Detroit-based automaker had about 264,000 trucks on dealer lots a month earlier.

GM's U.S. sales climbed 26 percent to 232,538 vehicles in April from 183,997 a year earlier. The results helped push the industrywide U.S. auto sales rate in April to 13.2 million on a seasonally adjusted annualized basis, the third straight month higher than 13 million.

GM reduced spending on incentives for U.S. customers in April by 8.1 percent to an estimated \$3,068 per vehicle, according to Autodata Corp. The automaker is offering rebates of as much as \$4,505 for Chevrolet Silverado and GMC Sierra pickups, while offering no rebates on small cars like the Chevrolet Cruze and Aveo, according to AIS Rebates, an Ann Arbor, Michigan-based provider of incentive data to dealers.

Large pickup demand has been a key driver of the auto industry's sales recovery as small business owners begin to replace aging trucks, automakers say.

Sales of the Silverado dropped 1 percent last month, but are 19 percent higher for the year. Demand for the Sierra rose 12 percent in April and is up 35 percent year-to-date. Chevrolet Avalanche demand fell 13 percent last month, but has risen 5 percent year-to-date.