



# GLOBAL ECONOMIC AND AUTO INDUSTRY OUTLOOK

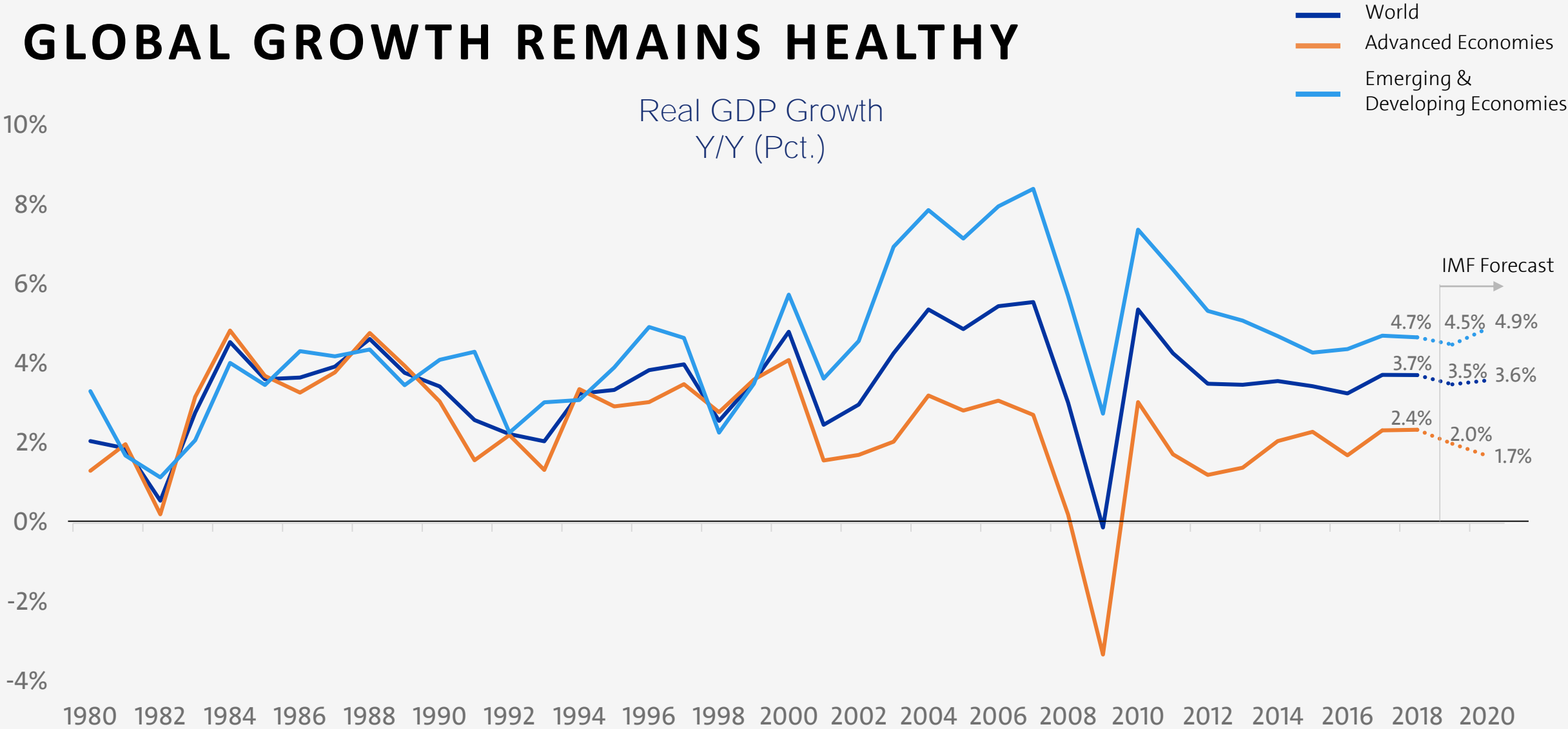


GENERAL MOTORS

**THE GLOBAL ECONOMY IS  
HEALTHY**  
AND THAT'S GOOD FOR AUTO SALES

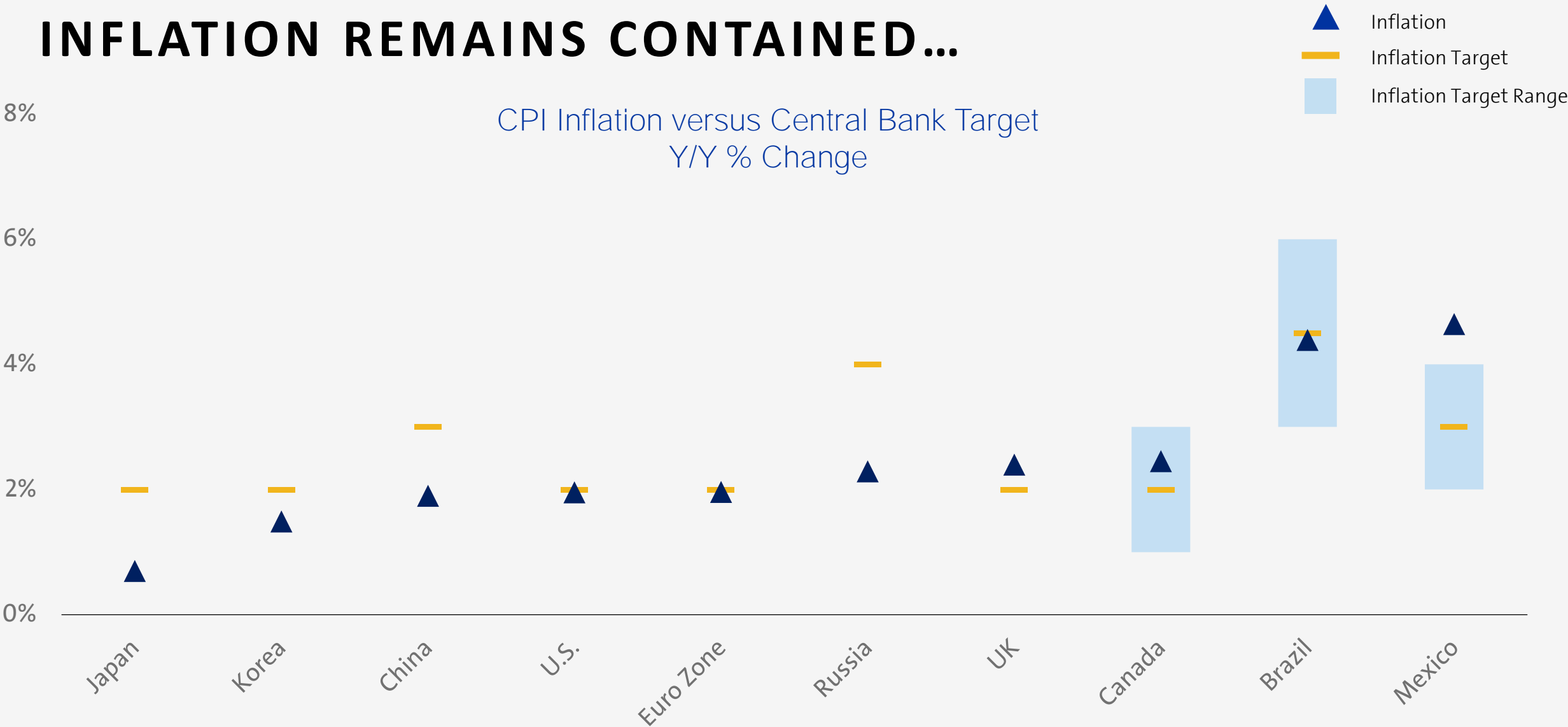


# GLOBAL GROWTH REMAINS HEALTHY



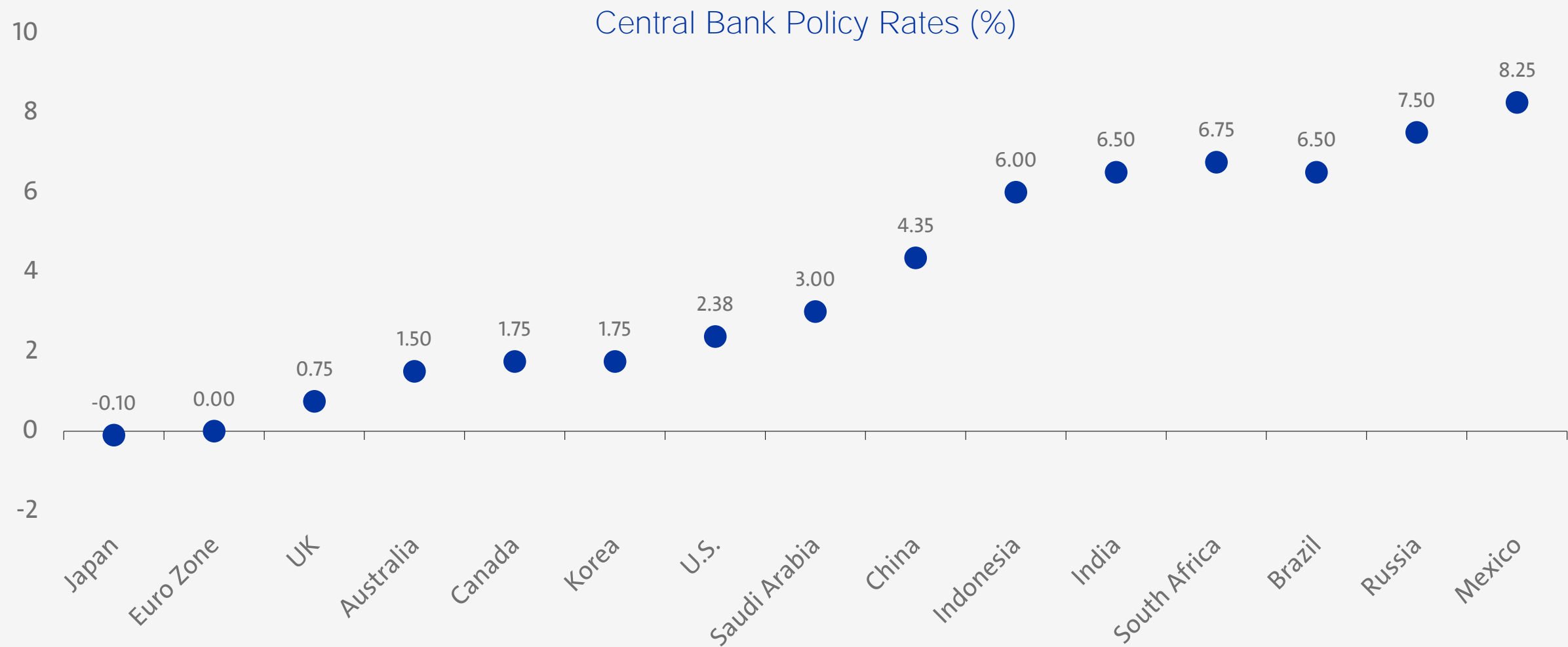
Source: International Monetary Fund

# INFLATION REMAINS CONTAINED...



Sources: National Central Banks, Haver Analytics; Calculations: GM Economics Team

# ...ALLOWING FOR BROADLY ACCOMMODATIVE MONETARY POLICIES

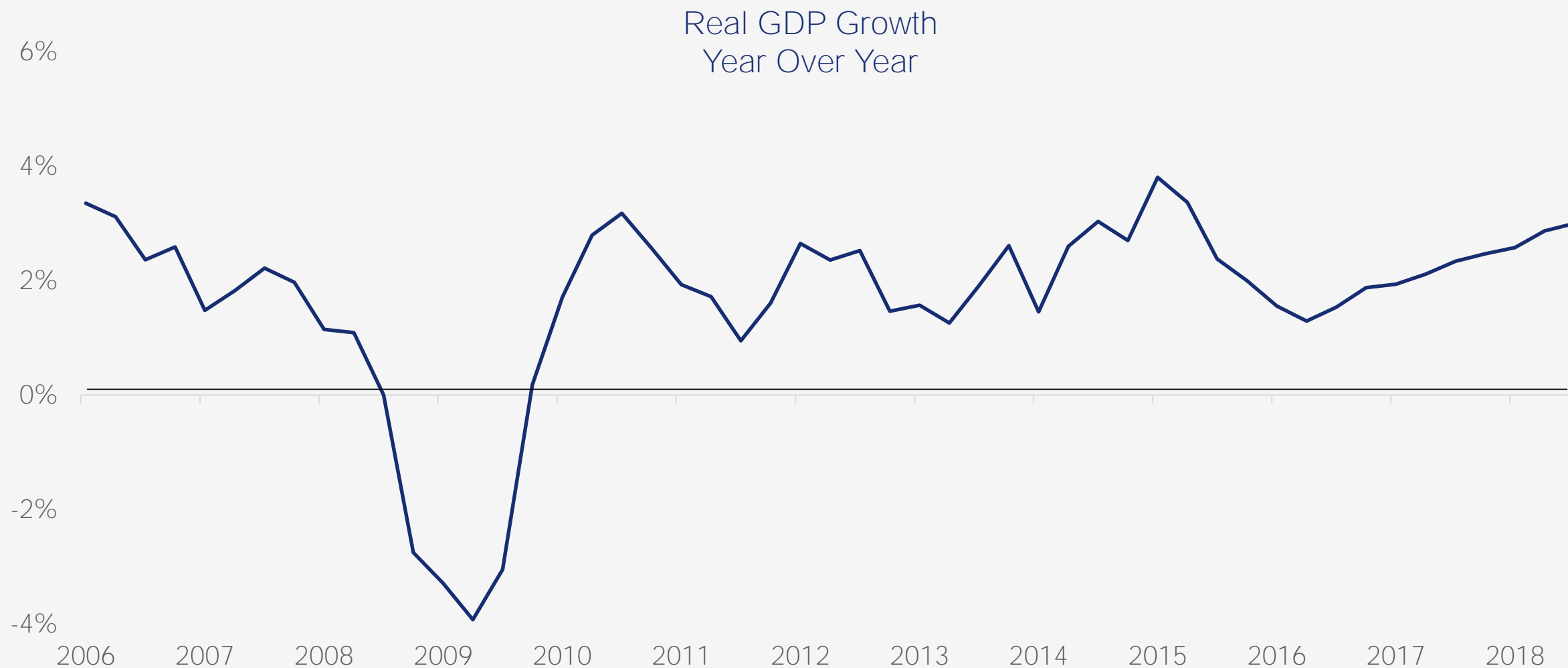


Sources: National Central Banks, Haver Analytics. Calculations: GM Economics Team



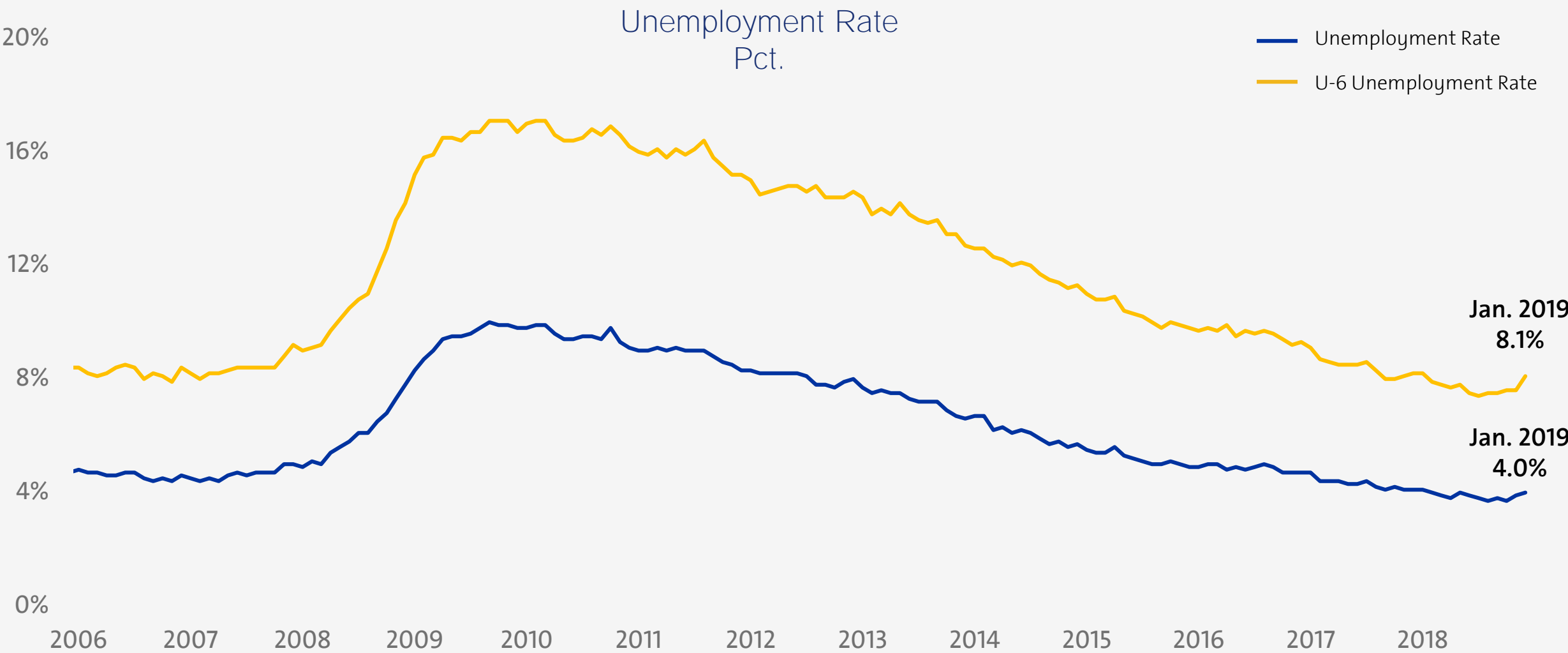
# THE U.S. ECONOMY HAS REACHED THE SPEED LIMIT

# THE U.S. ECONOMY IS STRONG



Sources: National Central Banks, Haver Analytics. Calculations: GM Economics Team

# UNEMPLOYMENT IS AROUND HISTORIC LOWS

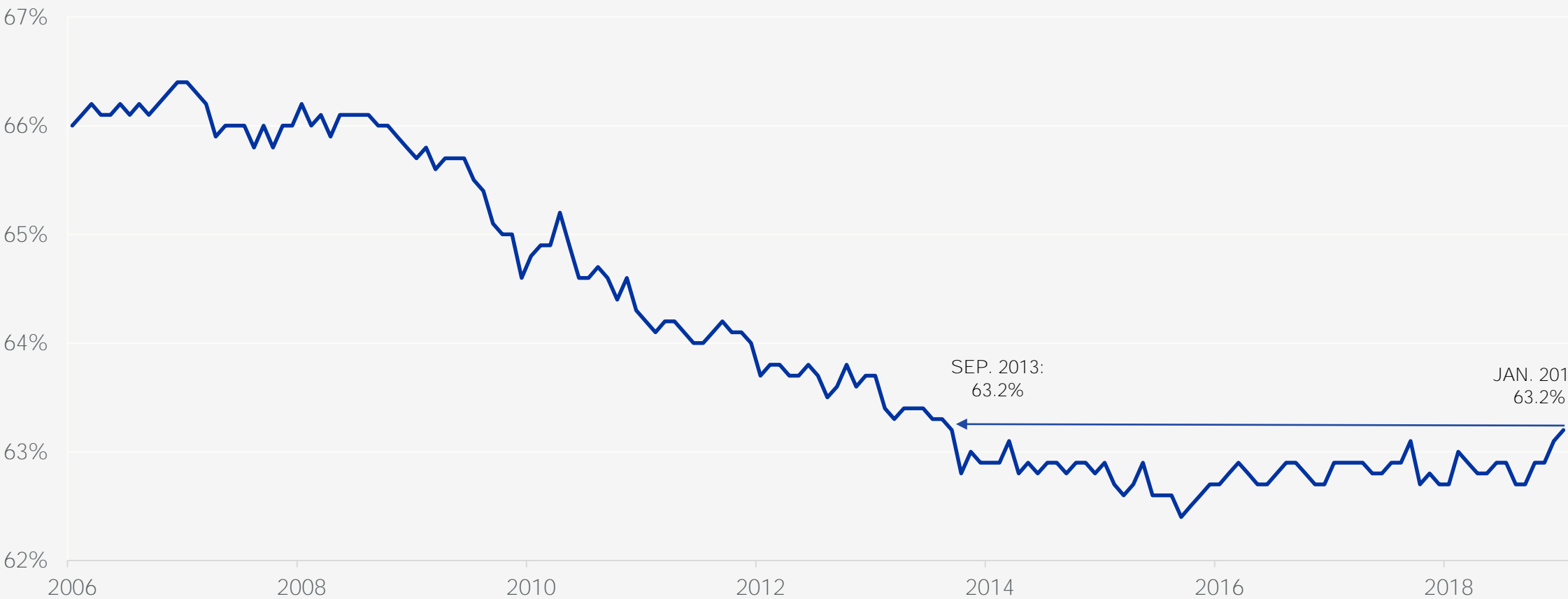


Source: Bureau of Labor Statistics



# LABOR FORCE PARTICIPATION RATE IS RECOVERING DESPITE DEMOGRAPHIC HEADWINDS

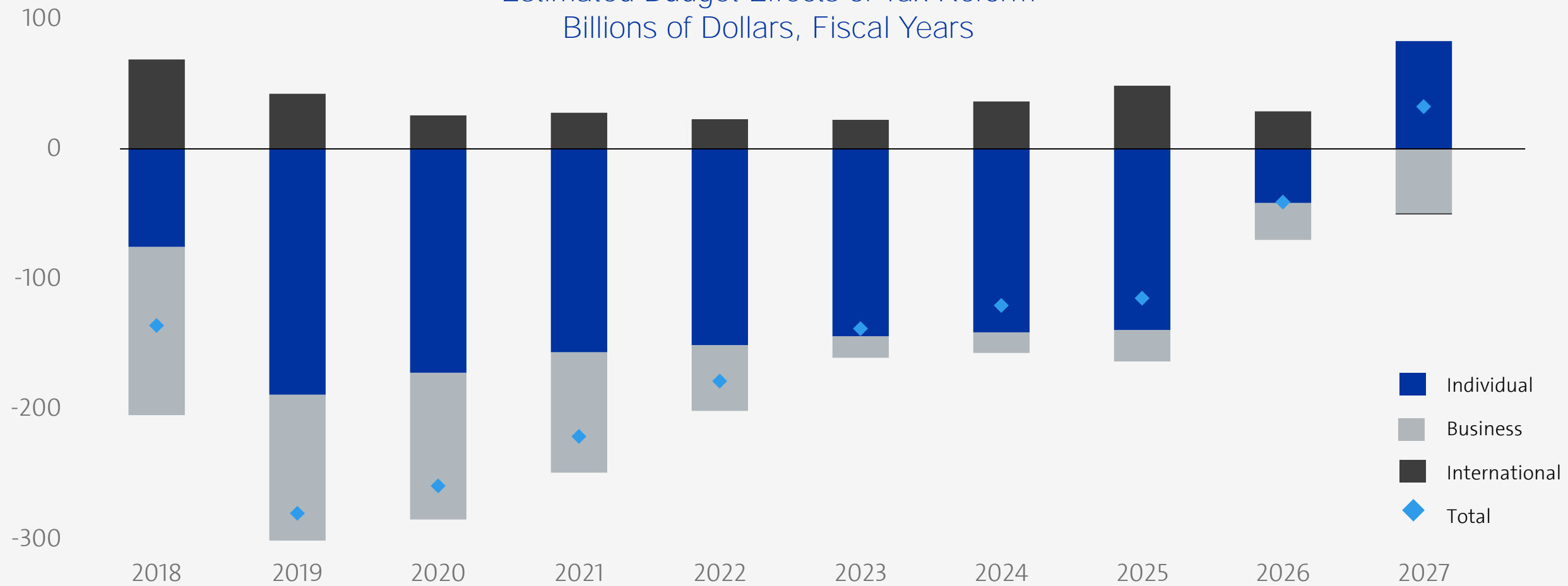
Labor Force Participation Rate



Source: Bureau of Labor Statistics

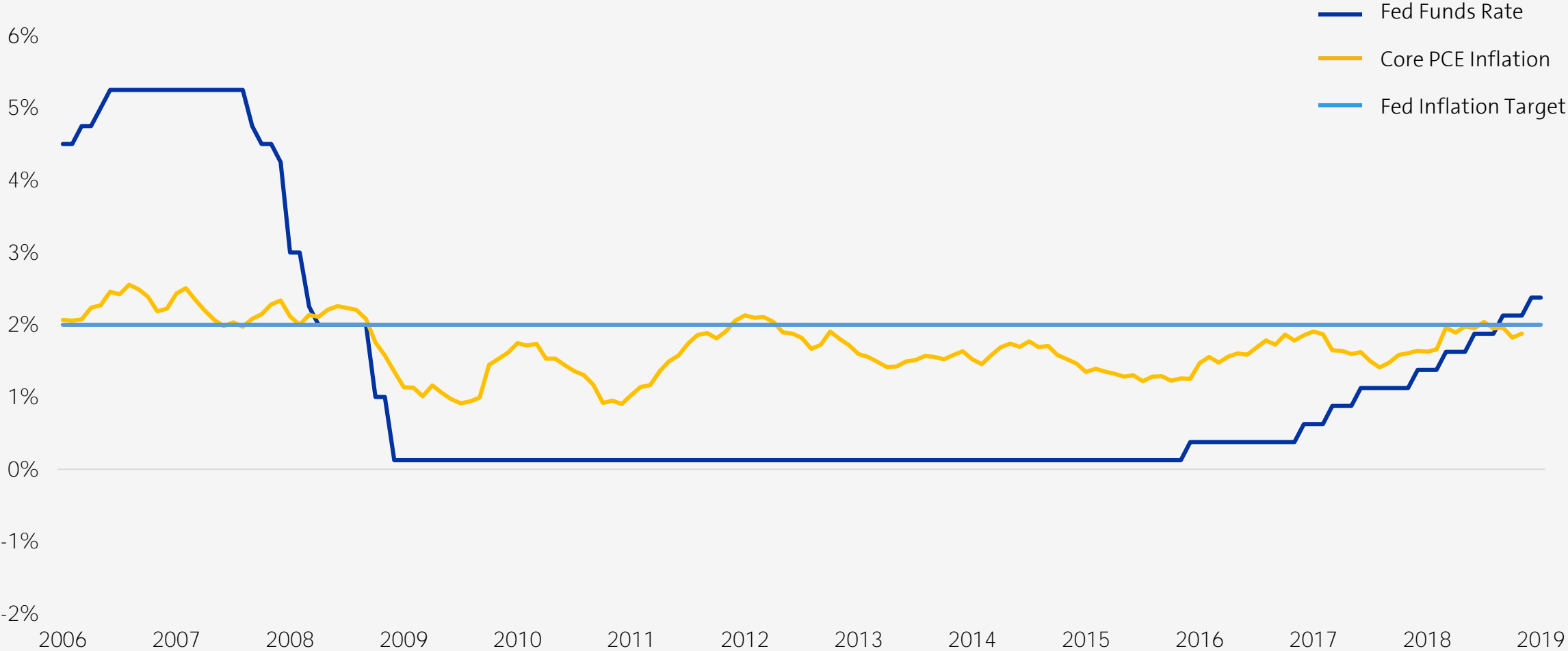
# TAX REFORM = SIGNIFICANT FISCAL STIMULUS

Estimated Budget Effects of Tax Reform  
Billions of Dollars, Fiscal Years



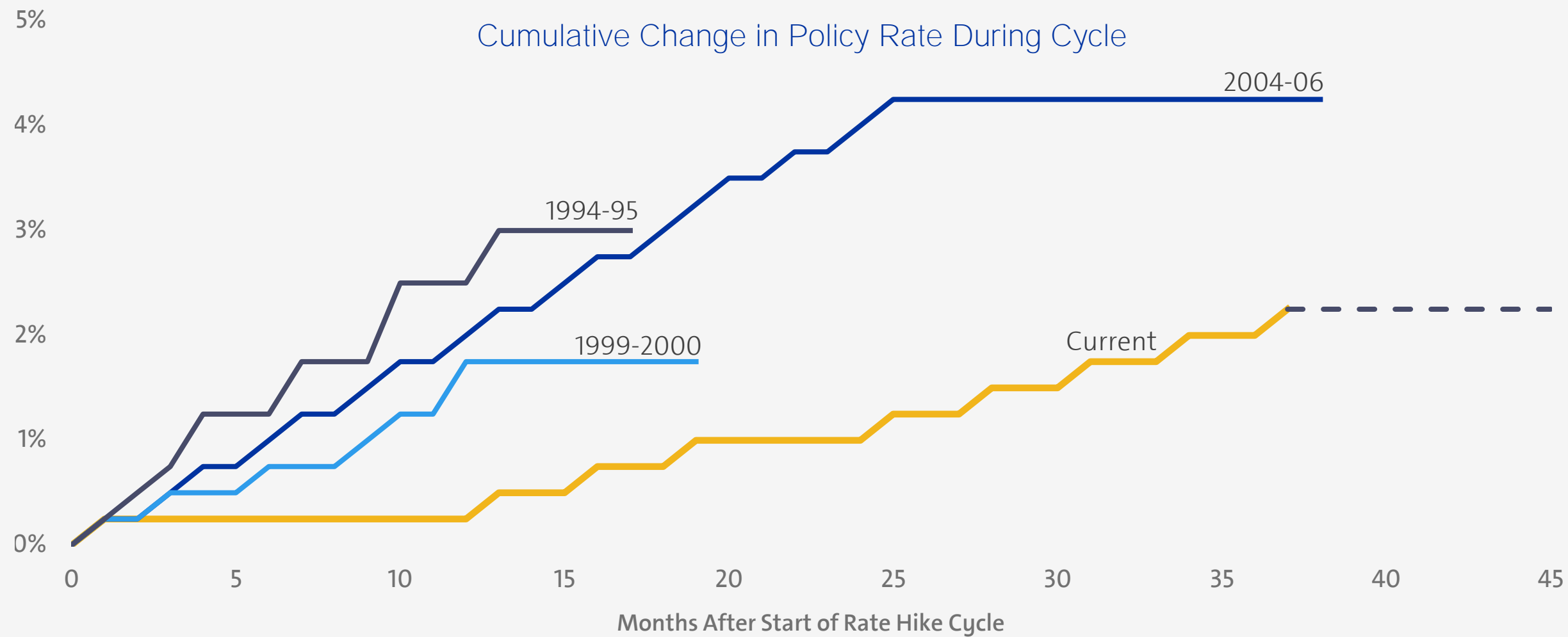
Source: Joint Committee on Taxation

# U.S. INFLATION IS MODERATE, THE FED IS PATIENT



Source: Federal Reserve Board

# RATES ARE RISING MORE SLOWLY THAN IN PAST CYCLES

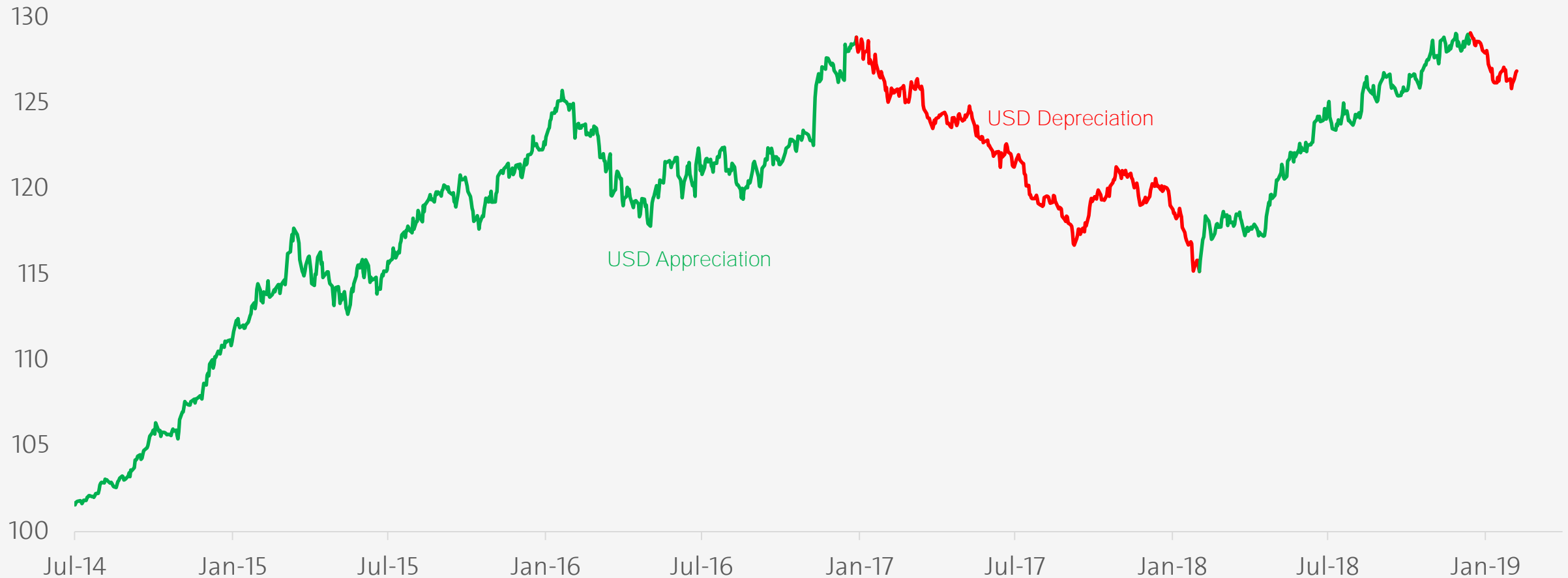


Sources: Federal Reserve Board, Haver Analytics; Calculations: General Motors



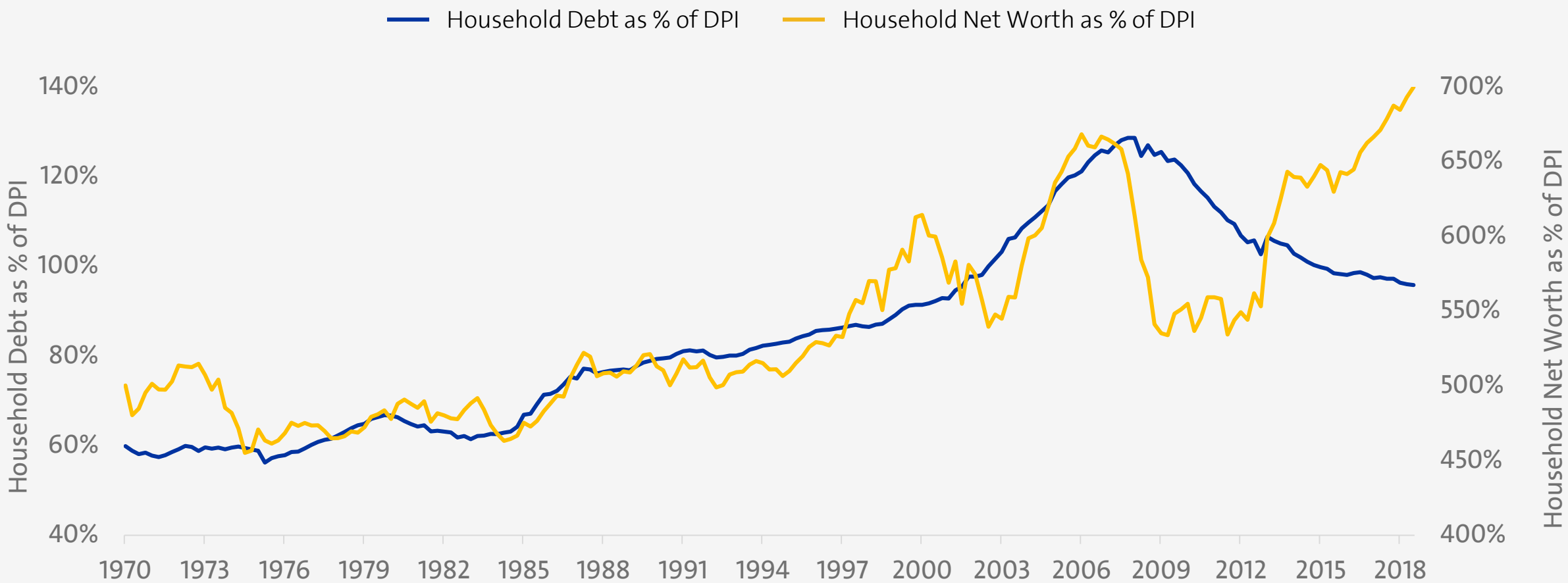
# ...CONTRIBUTING TO A STRENGTHENING USD

Nominal Broad Trade-Weighted Value of the USD  
January 1997 = 100



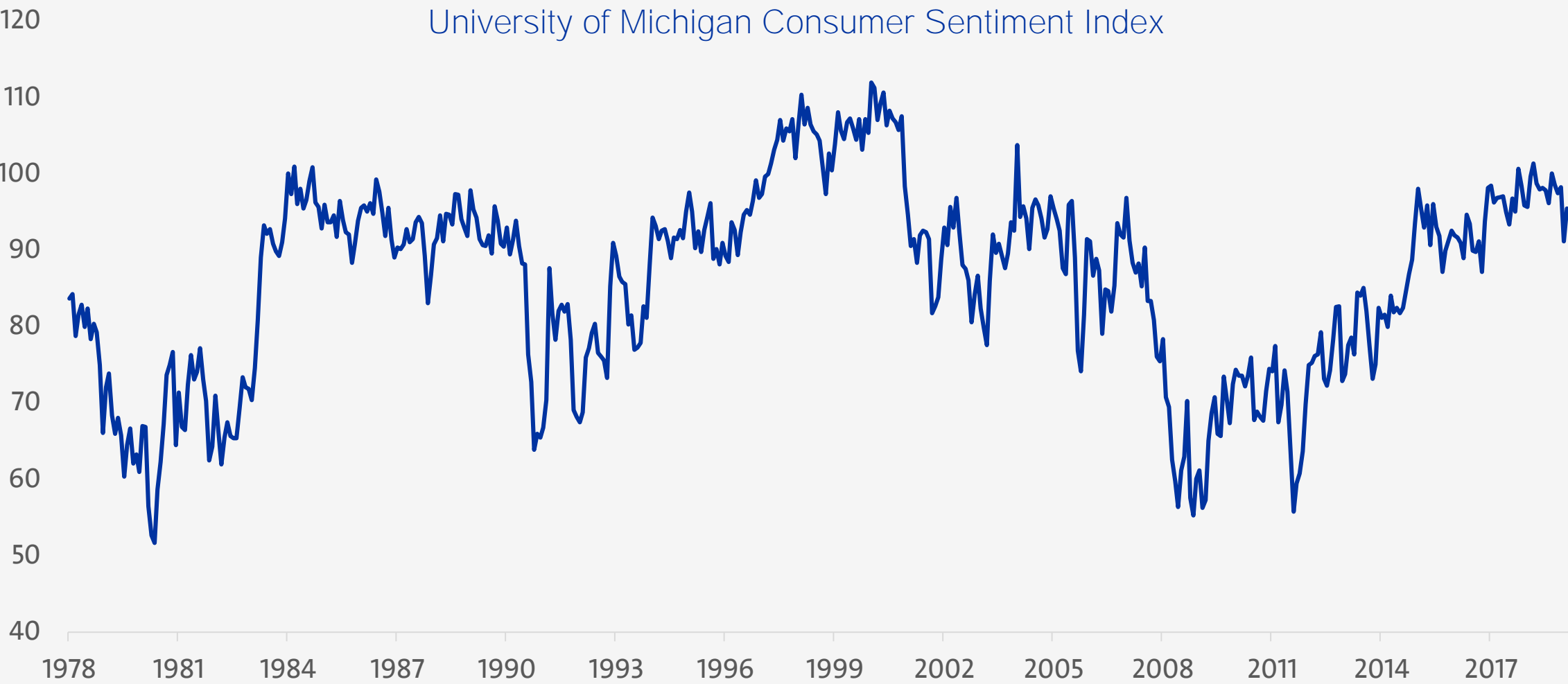
Source: Federal Reserve Board, Haver Analytics

# HOUSEHOLD BALANCE SHEETS ARE IN GOOD SHAPE



Source: Federal Reserve Board

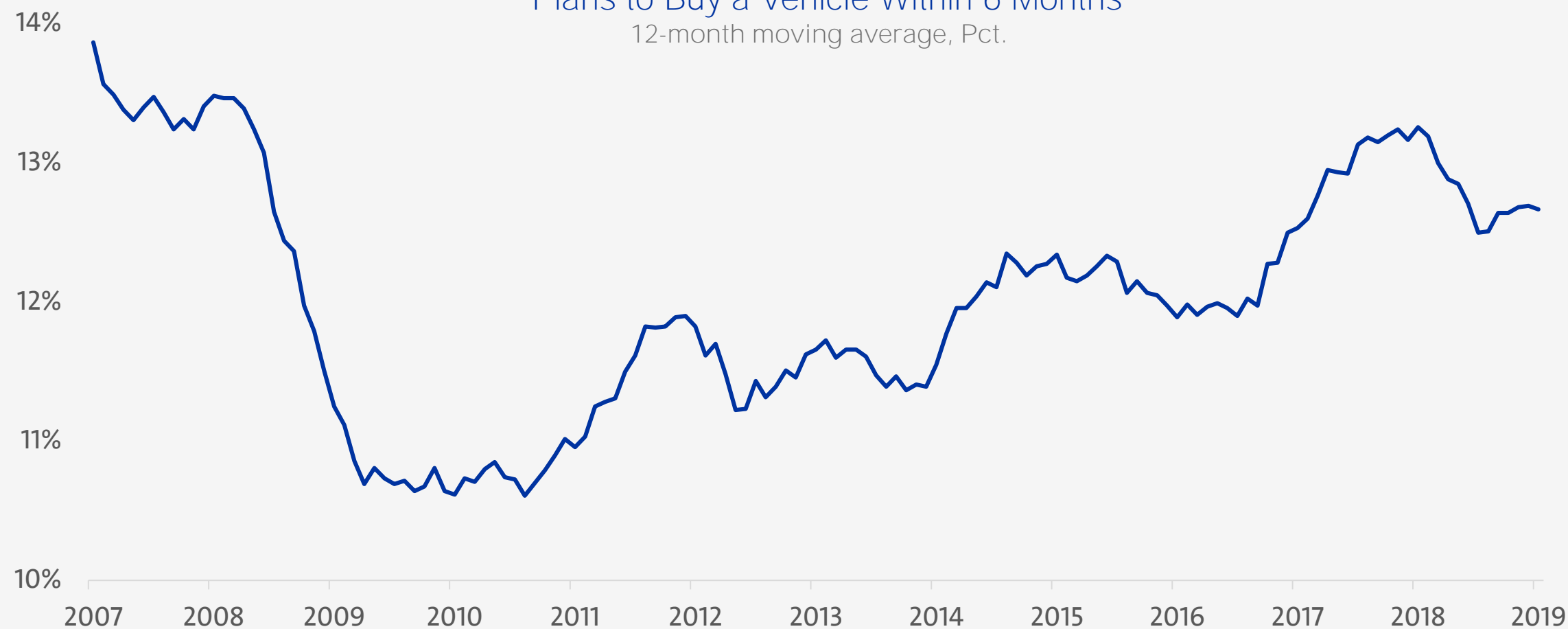
# CONSUMER SENTIMENT IS HIGH



Source: University of Michigan

# HOUSEHOLDS PLANNING TO BUY A VEHICLE STILL HIGH, BUT OFF 2017 PEAK

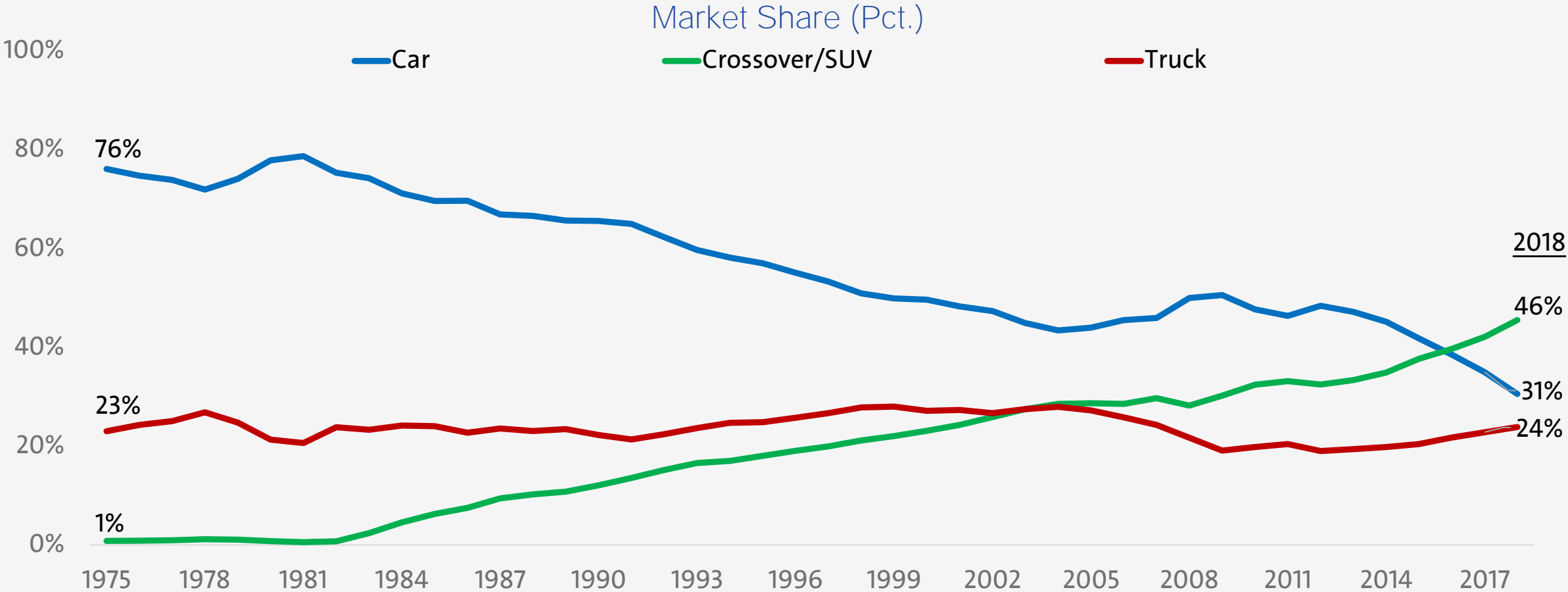
Plans to Buy a Vehicle Within 6 Months  
12-month moving average, Pct.



Source: The Conference Board

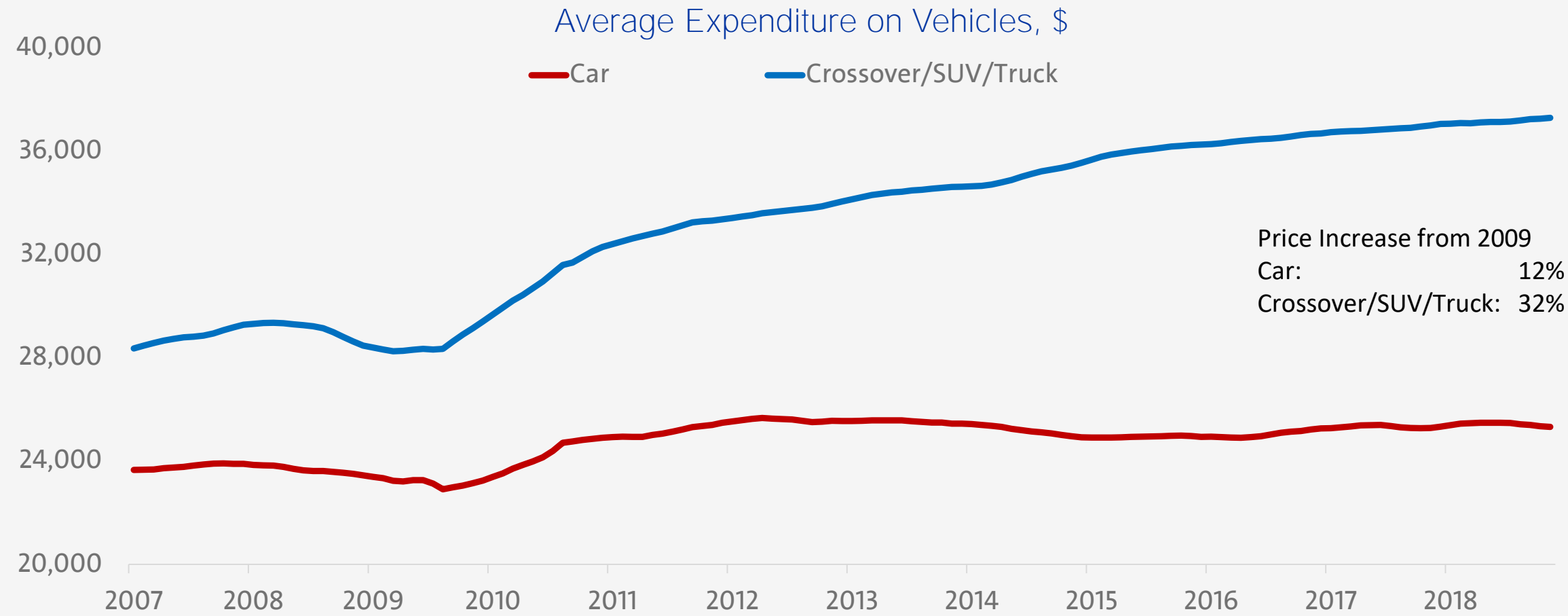


# SHIFT FROM CARS TO CROSSOVERS & SUVs ACCELERATES



Sources: GM Sales Reporting System

# TRUCK AND CROSSOVER SPENDING KEEPS RISING

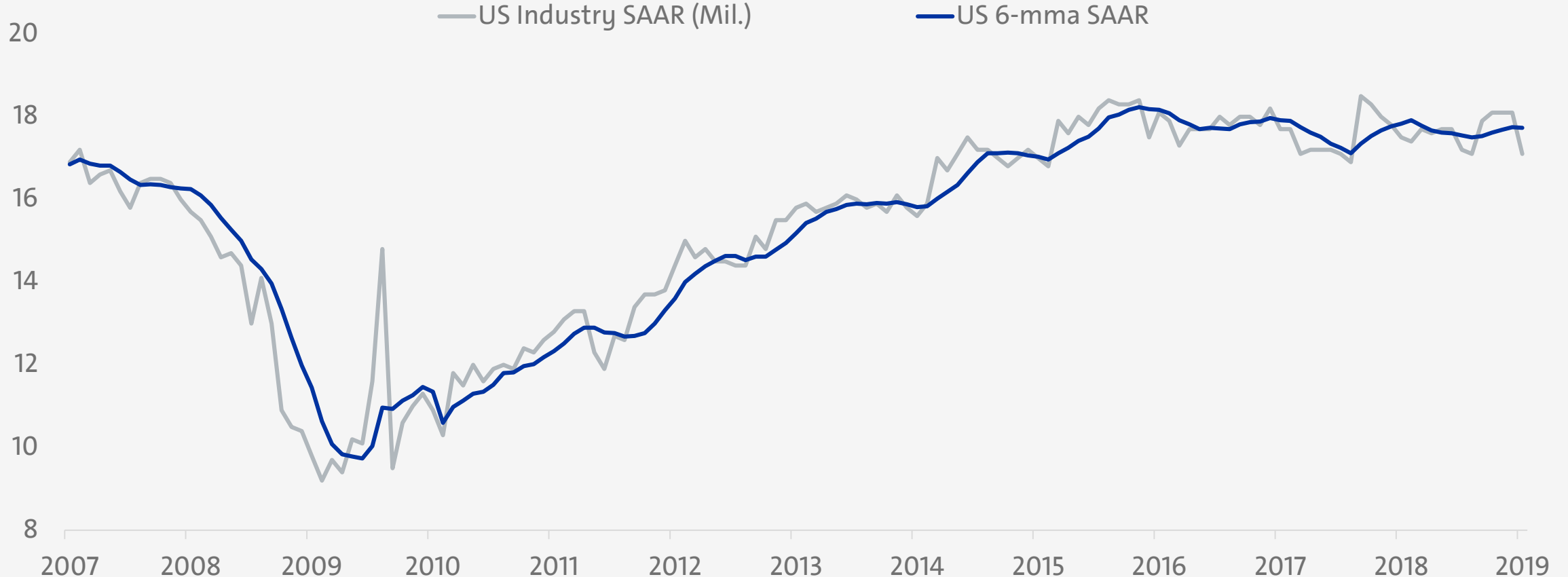


Sources: Bureau of Economic Analysis

# 2018 U.S. AUTO SALES NEAR RECORD HIGH: 17.7M

## 2019 CONSENSUS: 17.2M

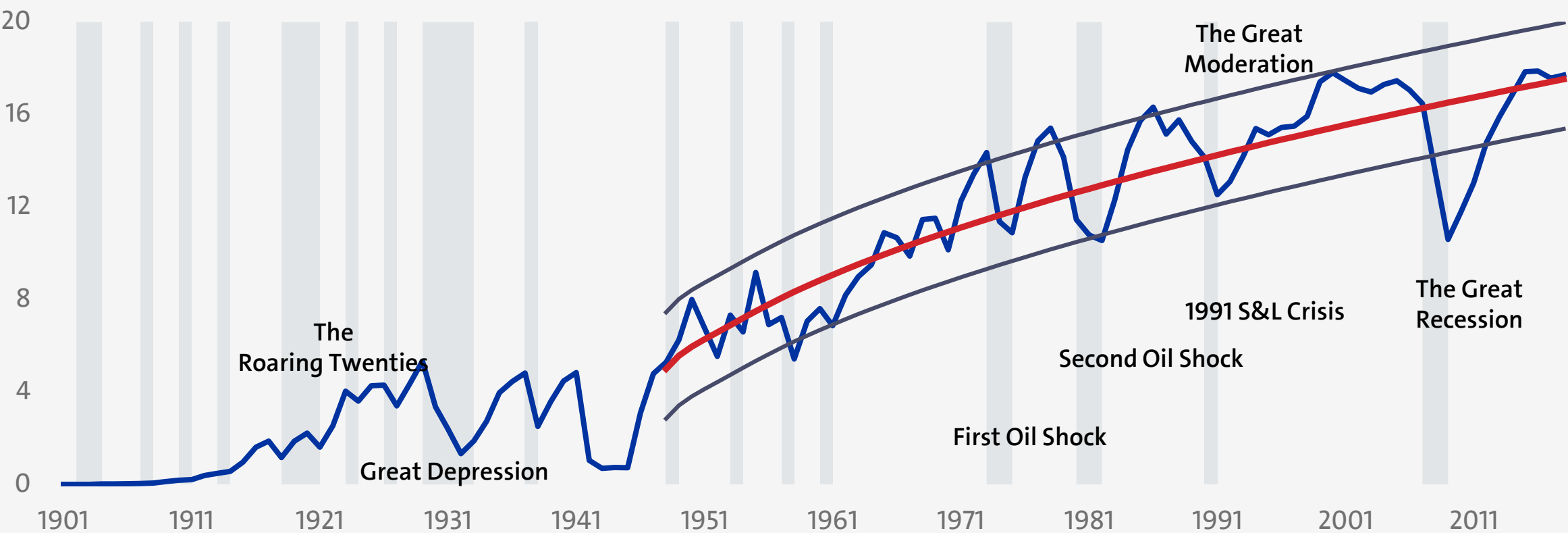
U.S. Industry SAAR



Sources: GSRA

# LONG-TERM, U.S. AUTO SALES CONTINUE TO TREND UP

Auto Sales, Million Units

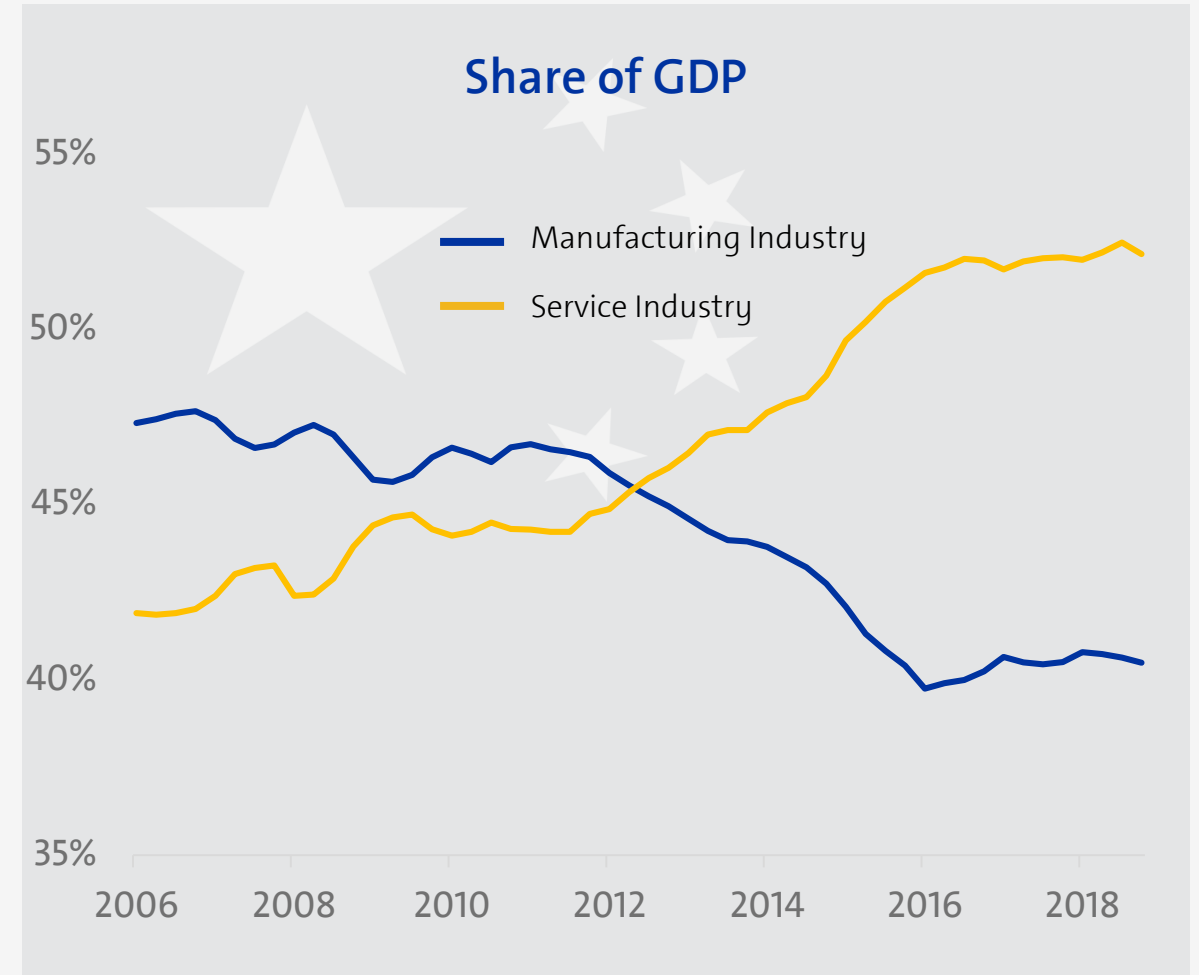
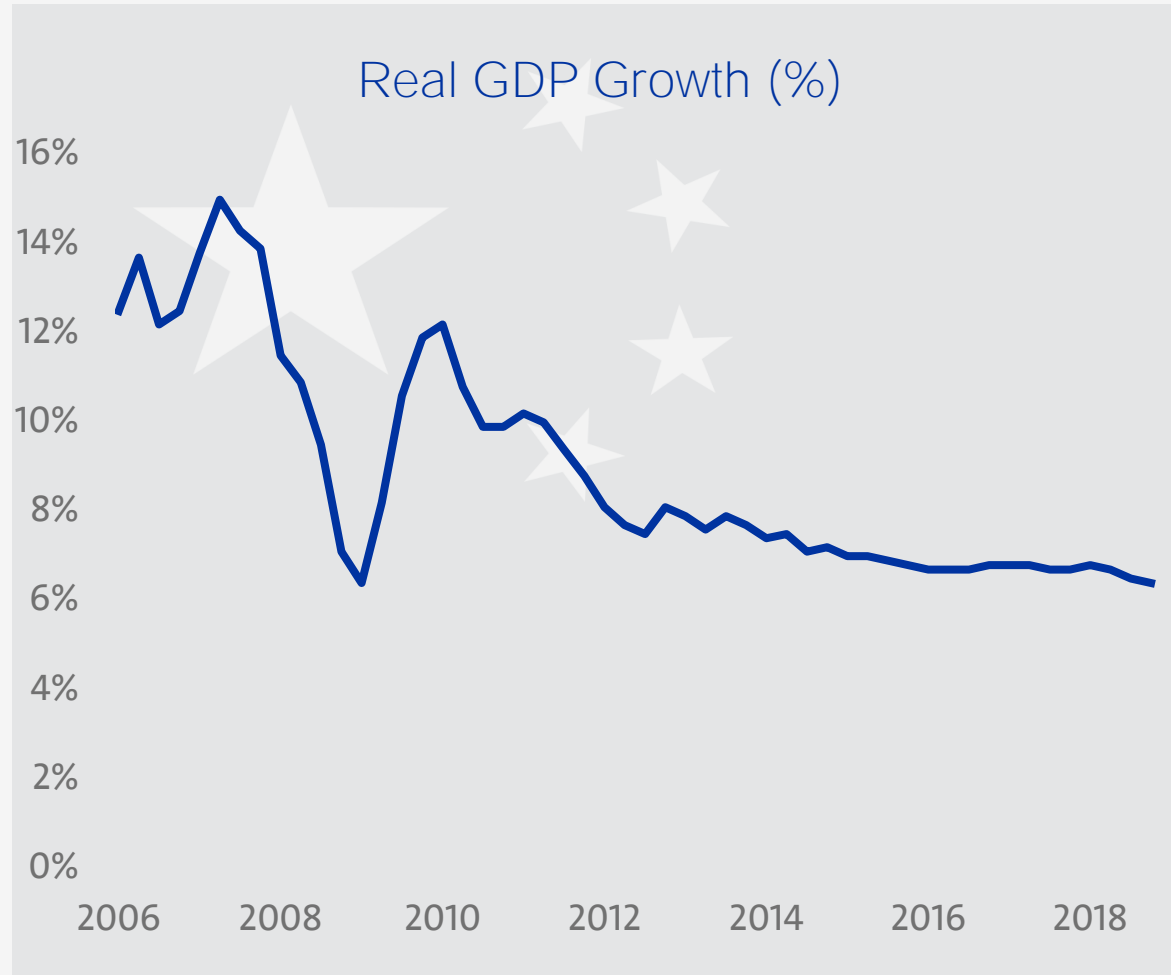


Sources: Bureau of Economic Analysis; Shading Indicates Recession



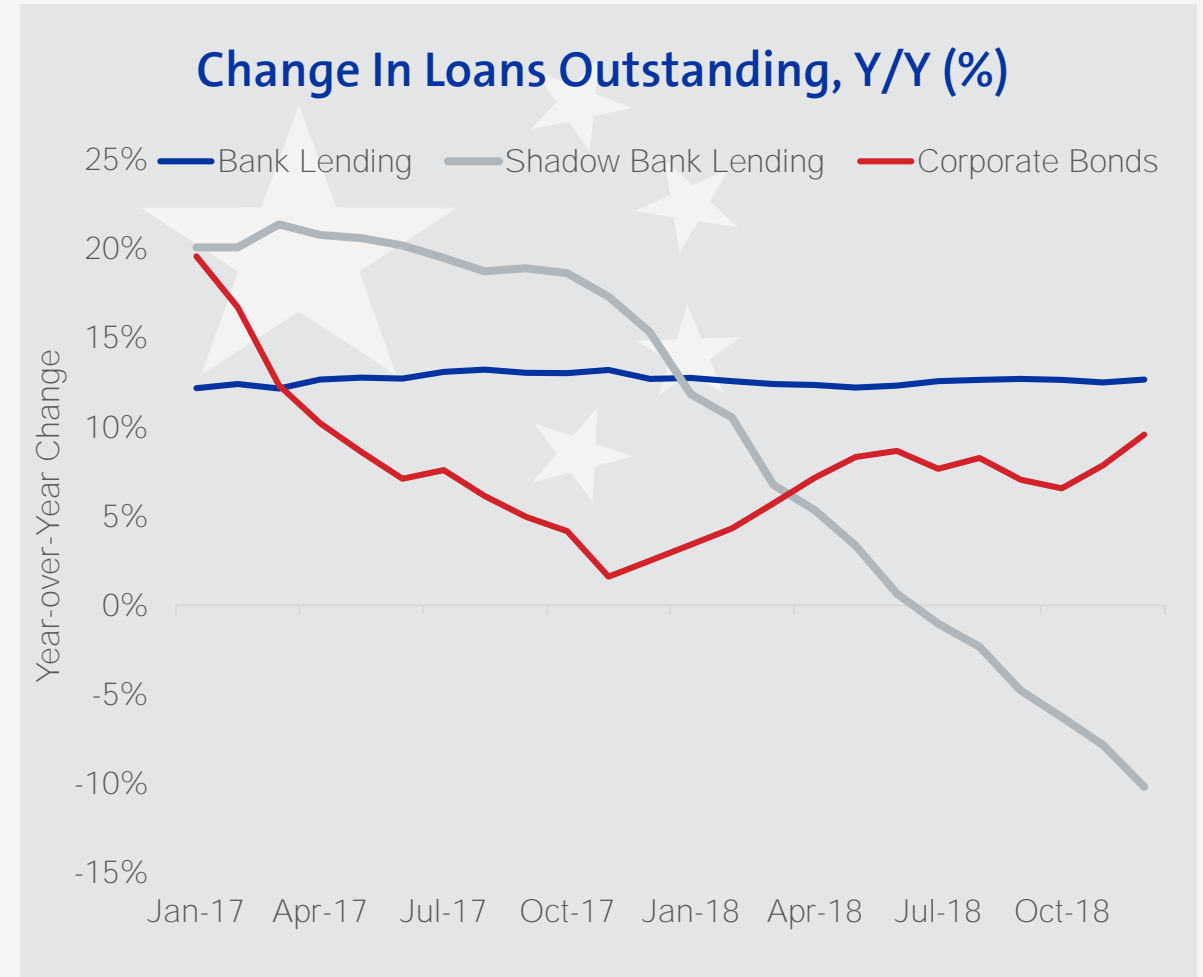
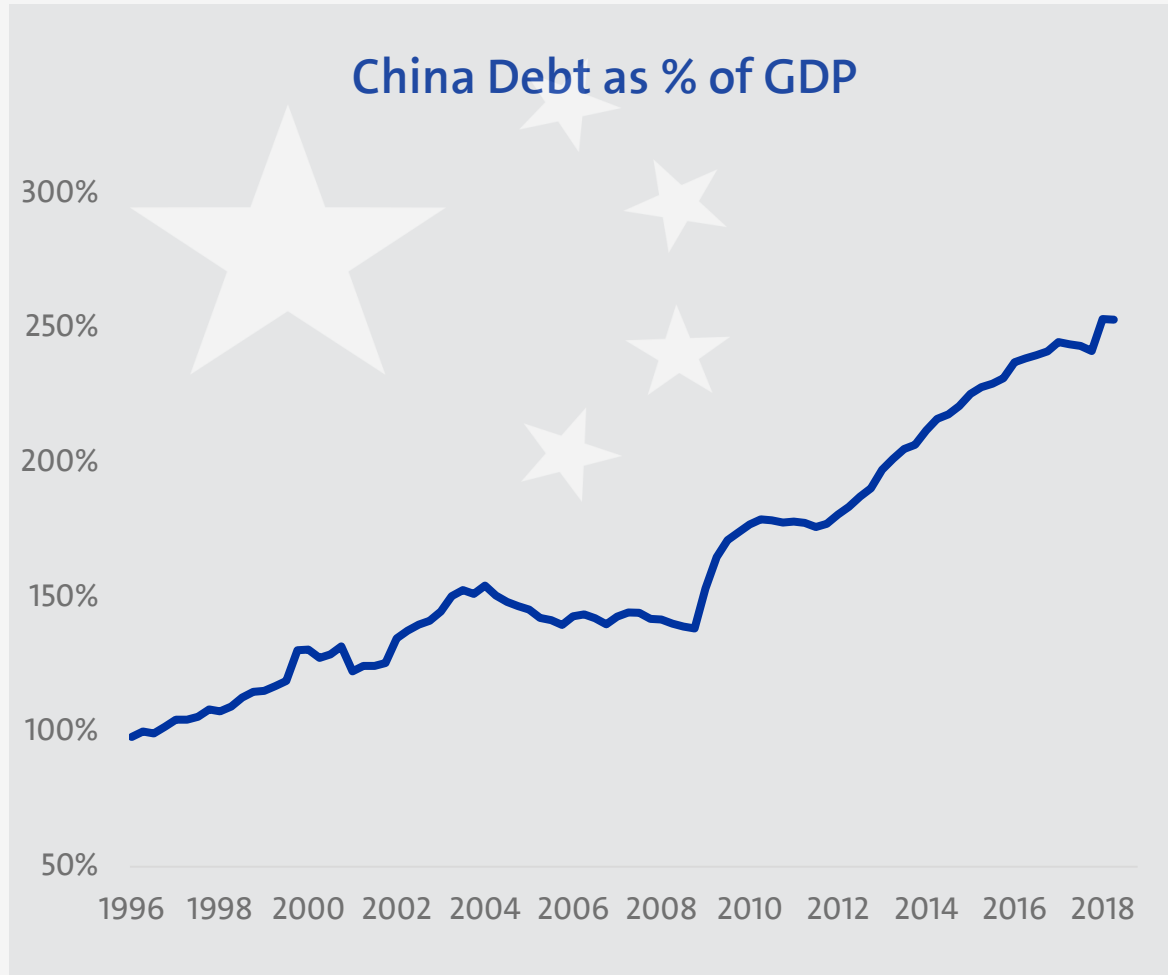
**CHINA'S SLOWING GROWTH  
IS STILL AMONG THE FASTEST  
IN THE WORLD**

# CHINA'S ECONOMY CONTINUES RAPID BUT SLOWING GROWTH



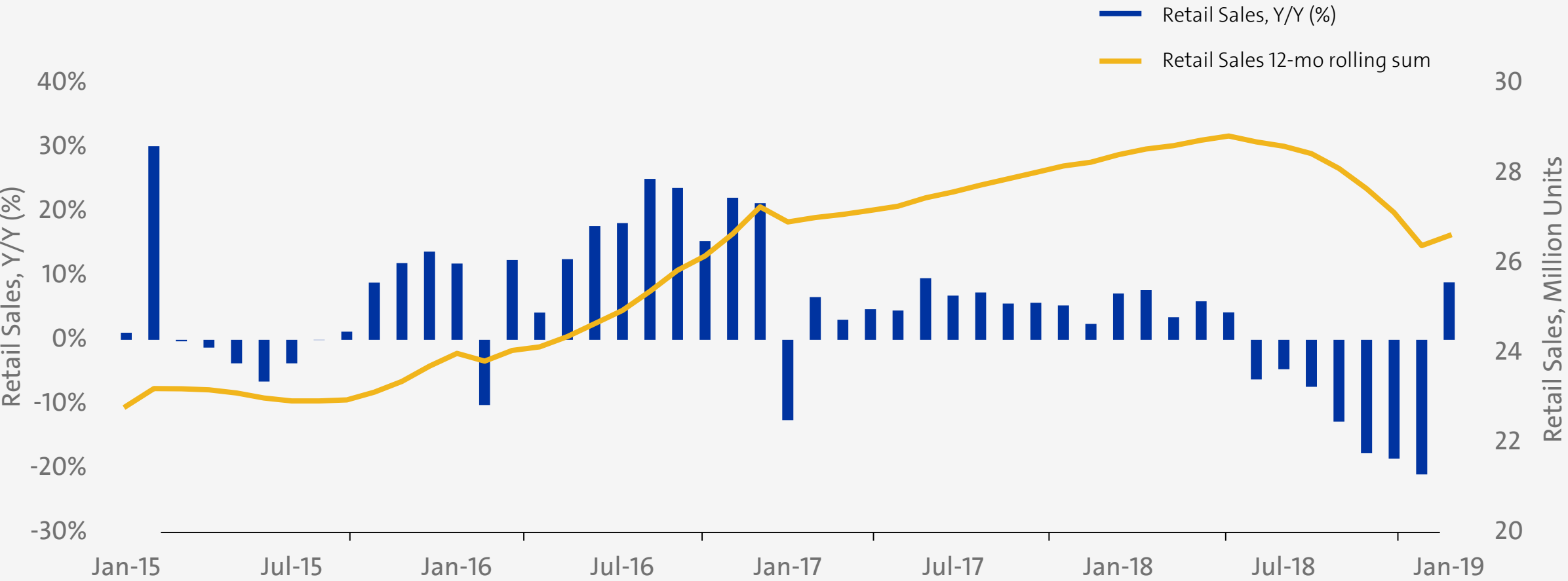
Source: China National Bureau of Statistics

# CHINA'S GOVERNMENT HAS DRIVEN DELEVERAGING, ATTACKING SHADOW BANKING



Source: Bank for International Settlements, People's Bank of China

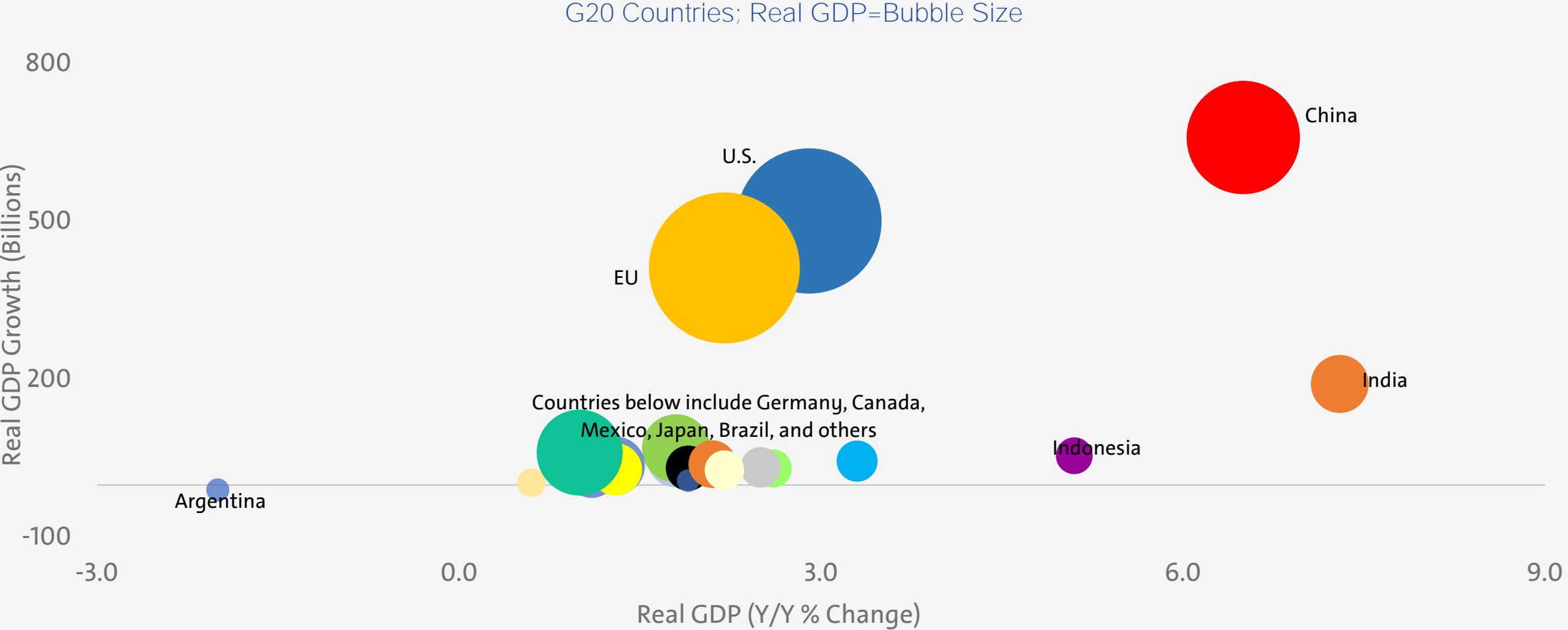
# CHINA AUTO SALES SHOWED Y/Y GROWTH IN JANUARY AFTER FALLING FOR SIX MONTHS



Source: GM Global Sales Reporting



# CHINA REMAINS THE MOST POWERFUL ENGINE OF GLOBAL GROWTH





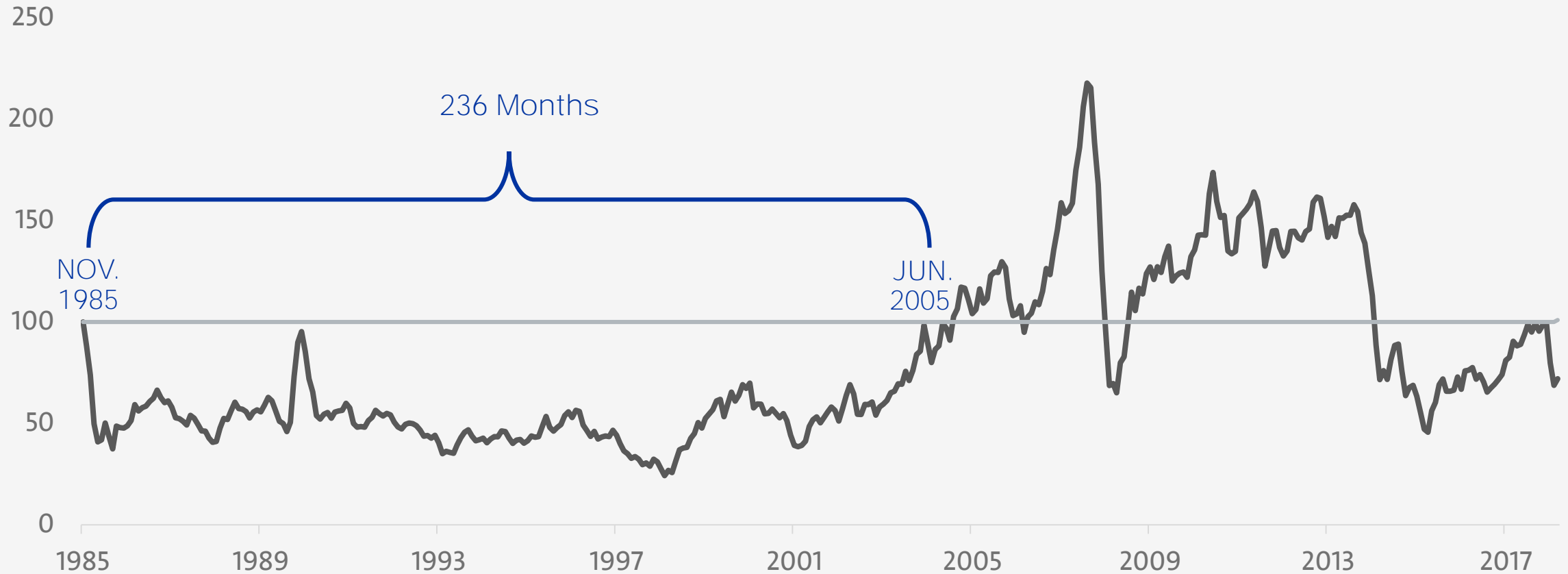
# LET'S LOOK AT THE RISKS



KEEP CALM  
WE STILL  
HAVE  
OIL

# OIL PRICES LIKELY TO REMAIN MODERATE IN THE LONGER TERM

WTI (Real, 1985 = 100)



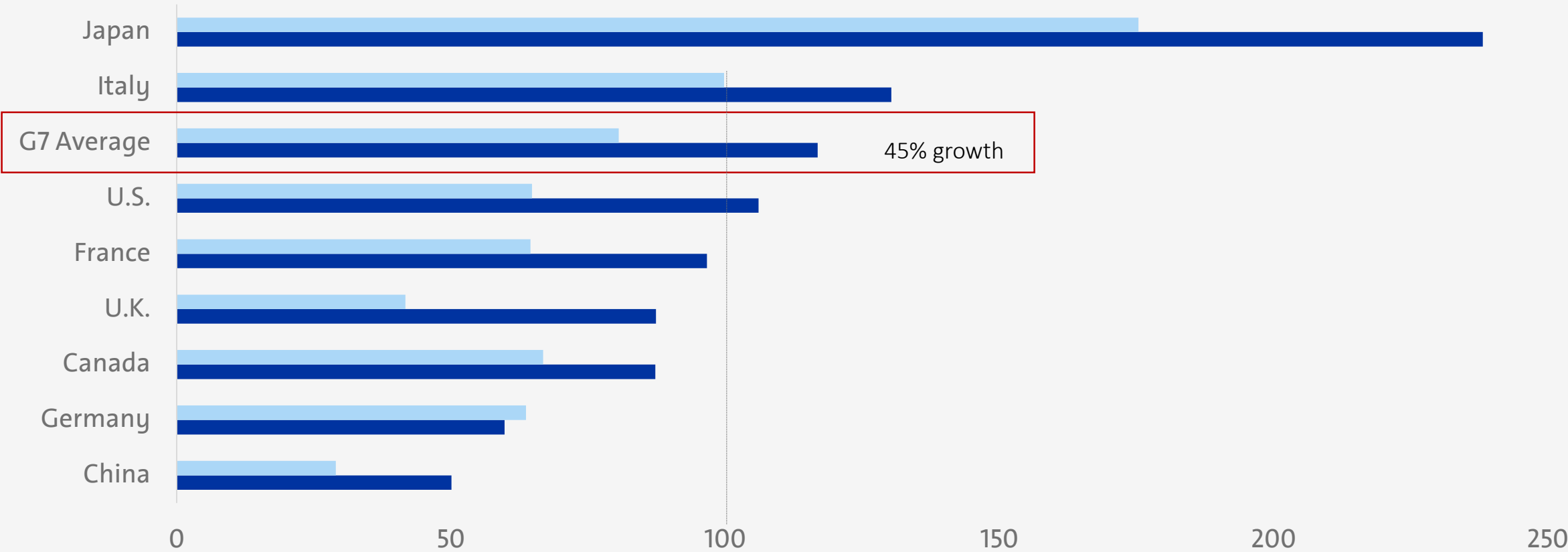
Source: Energy Information Administration



# GLOBAL DEBT LEVELS LIMIT CAPACITY TO MANAGE A RECESSION

General Government Gross Debt  
G7 Countries and China, % of GDP

2007 2018



Source: International Monetary Fund

# TARIFFS POSE DOWNSIDE RISKS TO GLOBAL ECONOMY

Comparison of Trump Administration Tariffs by Import Value

TARIFF	STATUS (as of 2/17)	IMPORTS COVERED (\$ Bil.)
Solar Panels, Washing Machines	In Effect	\$10
Steel and Aluminum	In Effect	\$45
Tariffs on China	In Effect	\$250
	Under Consideration	\$267
Automobiles and Auto Parts	Under Investigation	\$360

Source: Peterson Institute of International Economics, U.S. Bureau of Economic Analysis



# NAFTA MATTERS MOST

## MEXICO IS THE #1 IMPORT SOURCE

## CANADA IS THE #1 EXPORT DESTINATION



### Total Car and Truck Trade

BILLIONS OF USD

	Imports	Exports
<b>Mexico</b>	<b>\$53.4</b>	<b>\$3.7</b>
<b>EU28</b>	\$47.8	\$9.3
<b>Germany</b>	\$23.6	\$5.7
<b>Canada</b>	<b>\$44.6</b>	<b>\$27.0</b>
<b>Japan</b>	\$43.7	\$0.0
<b>Korea</b>	\$15.7	\$1.5
<b>Rest of the World</b>	\$4.8	\$24.7
<b>Total</b>	<b>\$210.2</b>	<b>\$66.2</b>

Source: Peterson Institute of International Economics

# GLOBAL ECONOMIC OUTLOOK

Global growth remains healthy, but has slowed modestly.

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The U.S. economy grew rapidly in 2018, and we expect above-trend growth in 2019. Amid rising risks and uncertainty, the Fed is pausing.

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China's economy has been slowing due to government-driven deleveraging. In the face of U.S. tariffs, the Chinese government is now taking measures to support growth.

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Oil prices should remain moderate, barring adverse geopolitical events.

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Key risks to global growth: Rising protectionism and policy errors.

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# THANK YOU



GENERAL MOTORS