

GM CEO [Mary Barra](#) says the automaker has no plans to return to its pre-pandemic inventory levels as it looks to make its business leaner and more efficient.

GM began operating with limited vehicle inventory amid the [COVID-19 pandemic](#) after the virus forced it to shutter its production facilities in 2020. The [semiconductor chip shortage](#) then took hold shortly after, further limiting its production output and leading to much more severe inventory constraints as demand for new vehicles skyrocketed throughout 2021.



The chip shortage caused [GM's U.S. sales](#) to fall from 2,547,339 units in 2020 to 2,217,832 units in 2021, however strong pricing and demand for vehicles, especially its full-size trucks and SUVs, helped GM generate a respectable [\\$1.7 billion in income](#) on \$33.5 billion in revenue.

"We'll never go back to the inventory levels that we were in the past," Barra said in a recent online chat with Rod Lache, the managing director of business analyst firm Wolfe Research, as quoted by The Detroit Free Press. "In all the tragedy that surrounded COVID, we have learned a lot on how to strengthen our business, run leaner, work with the dealers, use data analytics to make sure dealers and customers are ordering the right vehicle. There are so many elements where we've learned to run more efficiently that we'll never go back from."



While GM said recently it expects the chip shortage to ease in the second half of 2022, Barra believes it will take a long while for it to build its inventory levels back up due to high demand.

“We do expect the favorable pricing environment to continue as inventories are going to take well beyond 2022 to rebuild,” Barra added. “Some of this is GM-unique because we came into COVID lean. We saw incredibly strong demand. So we’re working to build every single vehicle we can build because of the demand is so strong.”