

Sunday August 30th 2009

AUTOMOTIVE DESKTOP 2009

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Odette International is an organisation, formed by the automotive industry for the automotive industry. It sets the standards for e-business communications, engineering data exchange and logistics management, which link the 4000 plus businesses in the European motor industry and their global trading partners.

<http://www.odette.org>

LOOKING FOR NEW YOUNG TALENT.

The Society of Motor Manufacturers and Traders (SMMT) is backing this year's Autocar-Courland Next Generation Award seeking to attract young talent into the automotive industry.

Open to all higher education students, the competition aims to promote careers in the motor industry and showcase UK talent. Entrants must submit a written response to the question: Where do you think the next automotive industry revolution will start and what will it deliver?

Six finalists will be selected to go before a 'Dragon's Den' style judging panel to present their ideas to top industry executives including SMMT president and chairman, Ford of Britain, Joe Greenwell. Proposals may focus on technology, politics, production methods, financial incentives, or all of the above, as long it's within the scope of the automotive industry.

The winner of the award will be announced at SMMT's Annual Dinner, 24 November at the Park Lane Hilton, and will receive one month's work experience at each of the four partner companies (Ford, Harley Davidson, Honda and Marshall Motor Group) supporting the programme as well as a cash prize.

Entries can be made online at www.autocar.co.uk/next-generation and must be received by 23 October 2009.

1. WORLD NEWS FROM JUST-AUTO.

<http://just-auto.com>



AFTER THE CLUNKERS PARTY, THE SALES HANGOVER?

Source: just-auto.com editorial team

After spending US\$3bn of other people's money - that of the taxpayers of America - on the CARS, or 'cash for clunkers' incentives designed to wheedle people out of ancient, gas-guzzling antiques, it was little wonder the Department of Transportation was bullish over the circa-700,000 sales made through the scheme in barely three weeks.

Woo-hoo. As the Monday night sales deadline loomed, TV news showed US dealerships jammed with would-be buyers; sales bells tolling every few minutes as another new Focus or Corolla replaced some ancient Windstar, Tempo or Cressida in hectic scenes reminiscent of the trading floor in the 1987 movie Wall Street (remember the Michael Douglas/Gordon Gecko character's catch line: "Greed is good"?).

But now, as analysts at Edmunds.com noted today, the party is over and the auto industry "likely to experience a painful hangover." The analysts over there in sunny Santa Monica have looked at their buyers guide traffic and anticipated "a steep decline in sales in the coming weeks based upon a significant drop in 'purchase intent' behaviour" of the website visitors.

They ain't alone. An industry insider with knowledge of production scheduling and labour force planning at a major automaker told us earlier this week the big question, as similar European 'scrappage' incentive schemes come to an end, is what happens now? Was all that extra volume really additional business or simply a 'pull-forward' of sales that will result in deserted showrooms and idled factory lines in future months?

Certainly, the European schemes have kept automakers in work, as VW noted this week. Yet, in what must be irony of the year, the fact that Toyota's Corolla was a top-selling 'cash for clunkers' incentive model in the US didn't stop Toyota from yesterday pulling the plug on the NUMMI plant that built most of 'em.

As we reported today, Germany's scheme has about two weeks of funding to go and Berlin has ruled out an extension. Dealer lobby group, the RMIF, is pleading for an extension of the scheme here in the UK and, as Our Man in Spain reported yesterday, the Spanish automakers want their current Plan 2000E incentive scheme prolonged as well. As you would in a market off about 40% year to date.

So what will happen post-CARS and European countries' schemes this side of the pond? For the US, Edmunds crunched more numbers, and reported that SAAR roller coaster ride in August did not bode well for September.

Next week's US sales results - and the view of analysts inside and outside the automakers - will be interesting. For now, the likes of Ford are making hay while the sun shines. Extra small SUV sales means extra shifts on the assembly lines and that's good news, even if it may turn out to be only temporary.

Graeme Roberts
Deputy/News Editor
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2. THE WEEK IN BRUSSELS.

<http://www.smm.co.uk>



1. European Environment Agency publishes report on air pollutants

The European Environment Agency (EEA) has published a report on major air pollutants, showing a decline in levels in the EU in 2007. The report finds that in 2007, sulphur oxides (SOx) emissions were down by 72% compared to 1990 levels. The EEA said that the downward emission trend of the three main pollutants causing "ground-level ozone" continued in 2007, with carbon monoxide (CO) falling 57%, non-methane volatile organic compounds (NMVOCs) down 47% and nitrogen oxides (NOx) falling by 36%. However, while overall figures show significant decline, the EEA noted that the residential and road transport sectors were the most significant sources of air pollutants. Heavy duty vehicles were found to be the most significant source of NOx, while passenger cars were among the top six most polluting sources for CO, NOx, primary particulate matter (PM2.5) and NMVOC. (Source: European Environment Agency)

www.eea.europa.eu/highlights/emissions-of-air-pollutants-down-in-eu-27

2. Latest EuroNCAP safety ratings released

EuroNCAP has published the results of its latest safety assessment for eight new cars. The organisation said that seven of the cars received top five star ratings, and one achieved a four star rating. Cars included the Honda Insight, Kia Sorento, Renault Grand Scenic, Skoda Yeti, Subaru Legacy, Toyota Prius 3, Volkswagen Polo and Citroen C3. In its analysis EuroNCAP said that top marks were given to the Honda Insight and Toyota Prius 3, showing that good fuel economy and environmental performance were matched with a high level of safety performance. The organisation particularly commended aspects related to pedestrian protection, where manufacturers had proved that some cars already achieved 2012 targets. Dr Michiel van Ratingen, Euro NCAP's secretary general said: "The technology and know-how is out there for carmakers to deliver vehicles with better pedestrian protection. Honda and Toyota are giving us a glimpse of the cars of the future that consider the natural and social environment in its entirety." (Source: EuroNCAP) www.euroncap.com/Content-Web-Article/56e9a564-fa1a-409e-a83a-20e8a388de84/safety-comes-clean.aspx

3. Incandescent bulb ban begins from 1 September

On 1 September, a phase-in ban of incandescent light bulbs begins across the EU. From 1 September, 100-watt incandescent bulbs will be banned from sale, marking the first phase of a process that endeavours to see a complete ban of incandescent bulbs by 2016. 40-watt and 25-watt versions, which are the most popular varieties, will be banned from sale in 2012. The initial phase puts in place an agreement by EU leaders at the March 2007 European Council summit, where climate change targets were agreed for 2020 and 2050. EU consumer group BUEC said ahead of the first phase: "We call on the European Commission to take immediate measures to ensure that people who rely on incandescent light bulbs will be able to buy these bulbs until suitable alternative lighting technologies are available". The European Commission has said that it estimates around 40 terawatt hours of energy per year could be saved after the phased switch-over is completed. (Source: EU Observer) euobserver.com/9/28586

3. THE WEEK IN WESTMINSTER.

<http://www.smmmt.co.uk>



1. UK GDP fell 0.7% in second quarter of 2009

The Office for National Statistics (ONS) has published its UK output, income and expenditure report for the second quarter of 2009. The report states that UK GDP fell by 0.7% in the second quarter, revised from a fall of 0.8% given in preliminary estimates. The ONS said that an upward revision results from higher estimates for manufacturing, energy extraction and supply, and for wholesaling and motor vehicle services components of the output of service industries. The level of GDP is 5.5 per cent lower than the same quarter of 2008. The report also shows that the volume of output in the production industries fell by 0.6%, within which manufacturing fell by 0.2%. Household expenditure fell by 0.7%. (Source: Office for National Statistics) www.statistics.gov.uk/pdfdir/oie0809.pdf

2. Transport Committee publishes report on safety testing for lorries

The House of Commons Transport Select Committee has published a report on safety testing for lorries, buses and coaches. MPs said in the report that the Vehicle and Operator Services Agency (VOSA) should be given additional powers and resources to ensure safety of lorries on UK roads. The report says that foreign registered vehicles are a major concern and that VOSA should be able to access information from ports to prevent dangerous vehicles entering the UK. MPs also said that licensing rules for buses and coaches need to be tightened. The report, which also looks at the wider role of enforcement activities of VOSA, says that the agency must be provided with additional resource to upgrade IT systems and ensure better information sharing arrangements with other agencies such as HM Revenue & Customs. Committee chair Louise Ellman MP said: "Britain has some of the safest roads in Europe but more must be done to ensure compliance with our safety standards for lorries, buses and coaches. VOSA is recognised as a model of best practice and a leader within Europe but it lacks sufficient access to our ports to inspect vehicles and drivers effectively." (Source: Transport Select Committee) www.publications.parliament.uk/pa/cm/cmtran.htm

3. Plans for London 'Hydrogen Highway' revealed

Mayor of London, Boris Johnson has announced a plan to promote the use of hydrogen automotive technology. The "hydrogen highway" plan will promote hydrogen fuel cell technology, with the intention to build a fleet of 150 hydrogen cars, five buses and 20 taxis for the 2012 London Olympics. Mr Johnson said: "Harnessing low-carbon technology is key to solving the pressing issues of energy security, cutting climate change emissions and improving air quality. With electric vehicles gearing up to become a mainstream choice in a few years' time, we are creating the right conditions for them to flourish." The Mayor has already announced a London Electric Vehicle Delivery Plan that aims to create a large infrastructure network for electric vehicles, with 25,000 charging points across London. Plans for a hydrogen network are ongoing, with around six hydrogen filling stations to be built around the capital as part of the project led by the London Hydrogen Board. (Source: The Times)

www.timesonline.co.uk/tol/news/uk/science/article6806473.ece

4. LATEST UK CBI ECONOMIC DATA.

<http://www.cbi.org.uk>



According to the CBI's Distributive Trades Survey, retail sales volumes continued to fall in the year to August, at broadly the same pace seen since May, and are expected to maintain a similar decline next month. Despite continually falling sales, sentiment in the retail sector is now the least negative since November 2007.

The CBI's latest Service Sector Survey showed that business levels remain below normal, but to a lesser extent than in the previous three quarters. Deflation in the sector has become more widespread, putting sharp downward pressure on profitability. However, activity in the service sector is noticeably less weak than that seen in recent quarters.

The CBI's latest monthly Industrial Trends Survey showed that manufacturers expect only a modest fall in output over the next quarter, with expectations at their least negative in over a year. However, both total and export order book levels remain well below normal. In addition, stocks fell back in August to their most moderate level in over a year.

Official provisional estimates showed a 10.4% fall in business investment in the second quarter of 2009, with the quarterly rate of decline gathering pace on the 7.6% fall seen in Q1.

According to Nationwide, house prices rose further in August, by 1.6%, following an increase of 1.4% in June.

Consumer price inflation stood at 1.8% in the year to July, unchanged from the previous month. Deflation on the RPI measure eased slightly, to -1.4% from a record low of -1.6% in June.

5. NEWS FROM "AFTERMARKET".

<http://www.aftermarketnetwork.com>



GARAGES are increasingly likely to gain access to VM security information, according to the chief executive of the Garage Equipment Association (GEA).

Writing in a GEA news bulletin, Dave Garratt said improved access to anti-theft and anti-tamper system information was more and more likely to be forthcoming. The optimistic forecast follows the work of a vehicle security forum set up to advise the European Commission on solving the issue of independent access to VM data.

“It looks as if independent garages will be given access to vehicle security systems,” said the bulletin. However, each garage will need to meet a number of security checks and be authorised by each member state’s governing body. This could be very positive for the diagnostic market.”

6. NEWS FROM BODYSHOP MAGAZINE.

<http://www.bodyshopmag.com>



1 in 4 companies in the UK Accident Repair Centres industry is making a loss as the downturn continues to make life difficult. But how many of these 200 loss making companies have simply had a bad year and how many are burying their head in the sand is the subject of a new study.

David Pattison, author of a new market report into company performance in the market said, 'Increasingly we are seeing companies making a loss for the first time in their history and I think they can rightly claim they are victims of difficult trading conditions. A quick refocus on profitability would ensure this an isolated occurrence – 'the year the recession forced us into loss'.'

7. FLEET NEWS ONLINE.

NEWS FROM BAUER'S ON LINE PUBLICATION.

<http://www.fleetnews.co.uk>

fleetnews.co.uk

Fleets are being advised to ensure they have the right policies in place to protect themselves and their drivers against drug driving in the wake of a Government campaign. The £2.3 million campaign has been launched after new research showed that one-in-10 young male drivers admit to driving after taking illegal drugs.

"Employers need to raise awareness of no tolerance around drug use, which may be significantly more prevalent than they think," explained Fleet Operations managing director Ross Jackson.

Road safety charity Brake, which welcomed the Government campaign, has adopted an anti-drink and drug driving theme around its annual Road Safety Week – Not a Drop, Not a Drag - which takes place from November 23-29. A Road Safety Week pack for fleet managers on this topic, including a guidance sheet, poster and advice for drivers can be ordered for free from Brake on 0044-1484-559909 or by emailing admin@brake.org.uk

8. HIGHLIGHTS.

BUY A DUCK FOR BEN AND WIN £10,000!

BEN is supporting this year's Great British Duck Race on Sunday 6 September, giving anyone who buys a duck the chance to win £10,000, be part of a world record attempt and have the chance to make a donation to BEN to support their industry charity.

Anyone wishing to buy a duck can do so at
<http://www.thegreatbritishduckrace.co.uk/o/bencharity>

It costs £2 to enter your duck in the race and there is the chance to make a donation to BEN while paying for your duck. The ducks are released into the River Thames at Molesely Lock with the winner the first one to reach The Sherriff Boat Club 1km away.

Charles Davis, BEN's Director of Fundraising and Communications said;
"It is fantastic to be a part of this year's Great British Duck Race and have a BEN presence for the first time at this national event which we hope to build upon in years to come. We hope that those in the industry will jump at the chance to be a part of such a fun event and they can even attend on the day to cheer their duck over the line. On a serious note, all the income BEN raises from the donations made while buying a duck will go to help our colleagues in the industry who are facing difficulties in their lives."

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STILL WAITING TO GET PAID

Source: SUFFOLK NEWS HERALD
<http://www.suffolknewsherald.com/news/2009/aug/25/still-waiting-get-paid>

Car dealers looking for money from 'Cash for Clunkers' program.
By R.E. Spears III | Suffolk News-Herald

For a few weeks, it has all been about making deals and selling cars. But for Suffolk automotive dealers who participated in the federal government's so-called "Cash for Clunkers" program, right now it's all about waiting for the money. On Monday, government officials cut off the \$3-billion program, which paid consumers to trade in older, inefficient vehicles for newer ones that get better gas mileage. Area automotive dealers said they were glad for the traffic the Car Allowance Rebate System brought to their showrooms, but they were also wary of calling the program a complete success just yet.

"Other than not getting paid for anything, yet" the program has been a boon to his company, dealer Mike Duman said Tuesday. "We did sell some cars, but we haven't been paid for any."

Duman said his salespeople in Suffolk and Franklin had made 48 deals based on the CARS program. With each of those deals representing a rebate of up to \$4,500 off the already-thin profit margins on the vehicles, the dealership actually found itself accepting less money from the customers for new cars than it had paid for them — sometimes thousands of dollars less.

As long as the government pays dealers back as promised for the rebates — and soon — car dealers still will make money from their Clunkers deals. Effectively, dealerships have been floating the U.S. government an interest-free loan on every Clunker turned in for a rebate.

“As long as everybody gets paid, I don’t think it will be a problem,” Duman said. “We’re rolling the dice, but it’s too early to panic.” Eley Duke, vice president of Duke Automotive Group, said some dealers could find themselves in jeopardy if the government drags its feet paying up for the deals. “Dealerships are very cash-starved operations,” he said. “If you take eighty or \$90,000 out of the operation, it has a big impact.” Duke Automotive, he said, was able to use its reserves to fund the CARS program deals in anticipation of the government paying back the money. Other companies without those reserves could find themselves in trouble if there are problems with the payments.

In fact, he said, his own dealership stopped making Clunkers deals last Tuesday, after an alert from the National Automobile Dealers Association warned that the program might be nearing the point at which it was overcommitted. His company has received government rebate reimbursements for just three of the 20 or so deals it made under the program, Eley said, but all of its claims had been submitted and were pending on Tuesday afternoon. A rush of dealers across the nation trying to submit last-minute claims before the original deadline at 8 p.m. Monday crashed the computer system that had been set up to handle the job. The deadline was extended to noon Tuesday and then again to 8 p.m. Tuesday.

Duman said he wouldn’t have been surprised if the claims deadline were extended yet again. “There’s going to be a huge influx” of last-minute claims, he said. Both men questioned how much thought had gone into setting up the CARS program before it was launched. Confusion among customers, problems with claims procedures and worries over slow reimbursements all could have been alleviated with better planning, they said.

But both agreed that the program had been a positive factor at their dealerships this summer. “I think it was great to help stimulate the economy,” Duke said. “I’m happy to see people out there buying cars.”



LOMBARD PROVIDES SME WITH MORE EFFICIENT, HIGHER- QUALITY FLEET OPERATION

Lombard Vehicle Management (LVM) has completed deliveries of a 40-vehicle fleet for Asbestos Consultants to the Environment (ACE), of Benfleet, Essex.

LVM won the business by dramatically improving the efficiency and quality of fleet operation. Unlike many SMEs with van fleets, ACE, one of the UK's leading environmental consultants, already leased rather than purchased its fleet. However, the source vehicles were not being procured in the most cost-effective way and, more importantly, were neither the best fit for their work nor equipped to the optimum level.

LVM was called in and identified the optimum vehicle size and capability for the application, sourcing Ford Transit Connects and Citroen Nemos. In place of the previous wooden racking the new fleet was specified with OEM bulkheads and bespoke racking plus on-board power, professionally fitted out through LVM's Van Plus+ in-house build management service and fully complying with internal and external duty of care standards – vital for a business dealing with asbestos.

LVM is the sole supplier of the growing fleet, ensuring uniform standards of specification and build quality, and each vehicle is signed off individually with the customer. The vehicles are being run on contract hire with full maintenance.

Kimberley Hatton, ACE's Office Manager, says, "Lombard Vehicle Management have been able to significantly upgrade the quality of our fleet operation, providing a new level of van expertise and technical advice and at the same time provide competitive funding. "But what is most impressive is that they have made it so easy for us. We have been given a high level of consultancy, first to identify our precise needs, then through the build process and on an ongoing basis.

"We now have a uniform standard meeting both quality and duty of care requirements, and a partner we can rely on to find the best fleet solution in terms of both technical and funding issues as our business grows. The experience has been especially pleasing in the context of the current economic conditions, when small businesses are under additional pressure and benefit significantly from suppliers that add value."

The deal was handled by LVM Van Sales Unit Technical Advisor Mark Stevens and Business Development Manager Rob Hazzard.

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MANHEIM LAUNCHES LIVE INTERNET AUCTION LINK IN GERMANY

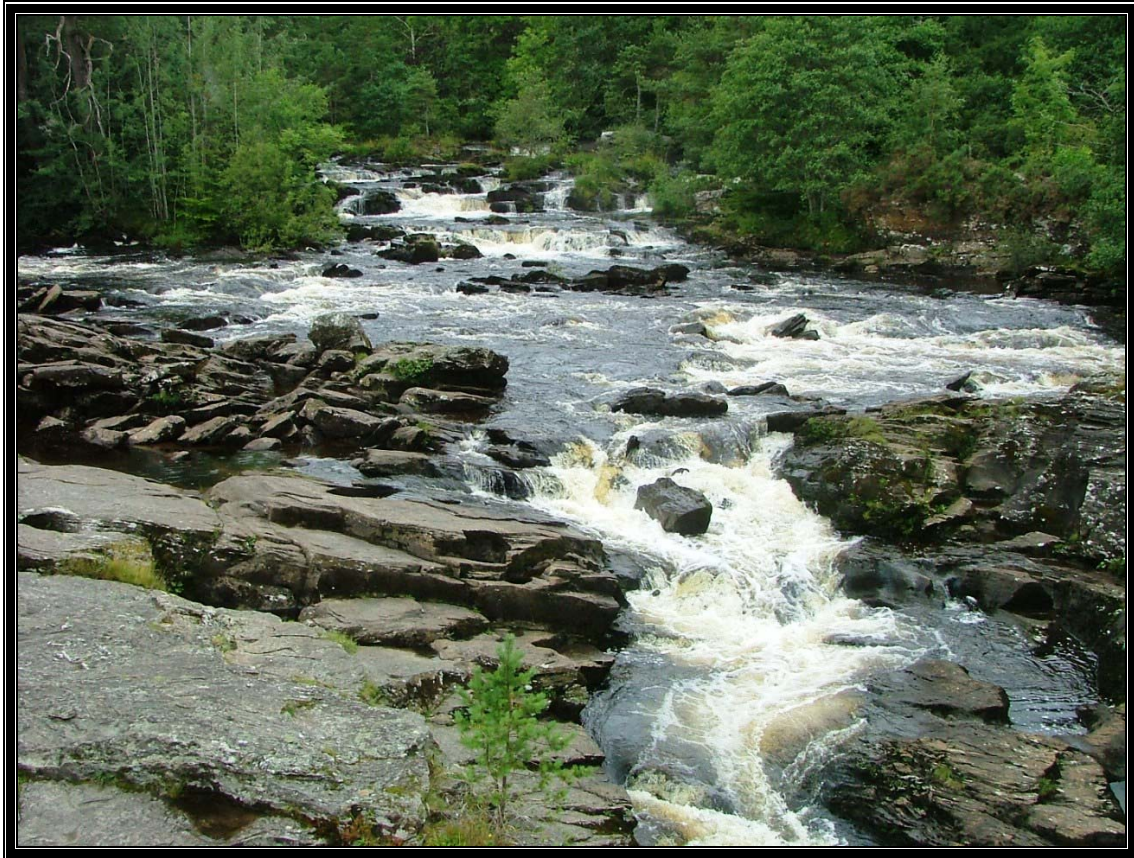
Manheim, the world's largest automotive services company, has launched its simulcast service in Germany. Already well established in the UK, USA and Australia, the live online link to physical auction is by far and way the biggest service of its kind, currently selling over 10,000 vehicles each week worldwide. Its introduction into Germany is the first step in Manheim's plan to create a leading trade-only online wholesale channel for continental Europe. Simulcast provides vendors with a much wider exposure to trade buyers by linking them via the internet to physical auctions where they can view and bid on vehicles in real time, competing with buyers actually in the auction hall.

The technology provides extensive details and condition reports of the vehicles to be auctioned and registration is free of charge to accredited dealers and trade buyers via the www.manheim.de website. Once registered, dealers and trade buyers have access to the sale catalogue and can view an auction without any obligation to either bid or buy.

Manheim's experience has shown that potential buyers will observe auctions on several occasions from the comfort and convenience of their own office or home to keep up to date on wholesale vehicle market prices and trends before they enter their first bid and then buy. Jonathan Holland, managing director of Manheim, continental Europe said: "The introduction of simulcast into continental Europe by Manheim is a key part of our strategy to provide a broad range of remarketing and retail support services across these major car markets. Simulcast ticks all the boxes - it's easy to use, adds value to buyers and sellers and it's also extremely efficient and cost effective. Aside from being a superior online buying experience, its success is also largely attributable to the absolute trust buyers place in our vehicle condition reporting which are essential to making online purchases."

Holland added: "The opening of the auction centre in Düren last year was a direct response to the growing demand for our remarketing services in Germany and I am confident that our expanded presence in the German market will grow considerably in the years to come." Manheim's new purpose-built auction centre in Düren, Germany was opened in September 2008. The two lane, 10,000 sq. metre facility located near Aachen close to the Belgium/Dutch border hosts regular weekly sales for manufacturers, fleets and dealers. Manheim-owned sister companies already present in Germany are Dent Wizard and Modix who provide reconditioning and used vehicle retail marketing services respectively. Germany is the largest new car market in Europe with 3.1 million sales per annum and has the third largest used car market in the world with 6.11 million used cars sold in 2008. It is estimated that there are about 39,000 used car dealers in the country.

9. E-COMMENT.



© Christopher Macgowan Images.

Wonderful holiday in August in Scotland. These rapids on the River Lochay at Killin are spectacular and around every corner there seems to be something stunning.

Sincerely

Christopher
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THE AUTOMOTIVE E-MAIL GROUP.
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AUTOMOTIVE DESKTOP is all about delivering information to you promptly and reliably and the success of the e-mail rests on the rich list of sources which is available to me – and of course to you. Here is a list of just a few of my favourites which have to be visited frequently and many of which provide an auto-email service as well. The list below is in random order and is my personal choice. I am not in any way remotely suggesting there are not many other extremely useful sites – there are!!

<http://www.aftermarketnetwork.com> Highly informative aftermarket site.
<http://www.ameinfo.com> A fabulously functionally rich site from the Middle East.
<http://www.am-online.com> BAUER's AM magazine is required reading.
<http://www.autowired.co.uk> Daily news by e-mail.
<http://just-auto.com> A huge database – has become the industry standard.
<http://www.automotivepr.com> automotivepr has a blue chip client list – visit!
<http://www.autonews.com> Run by the global automotive news provider Automotive News
<http://europe.autonews.com> Automotive News Europe – excellent European perspective.
<http://news.bbc.co.uk> Few can compete with Aunty Beeb's truly global coverage.
<http://www.bodyshopmag.com> Visit "Backchat" first - good stuff from Kelly Dalewood.
<http://www.thecarconnection.com> Daily news of new stuff. Top class.
<http://www.reuters.com> The Reuters name says it all – a brilliant site.
<http://www.economist.com> Essential out-of-office reading!
<http://news.ft.com> The Financial Times. Up there with the best.
<http://online.wsj.com> Wall Street Journal. Such a nice site to use – so good I subscribe.
<http://www.nobull-communications.co.uk> Clients include Peugeot, Volvo, Avis.
<http://www.nytimes.com> New York Times. Some of the best articles around are here.
<http://www.pfpr.com> Ranked Top 50 UK Consumer Consultancy by PR Week 2006/2007.
<http://www.cw360.com> Computer Weekly. Best for e-commerce and new IT trends.
<http://www.awknowledge.com> Packed with automotive data, knowledge and reports.
<http://www.mbendi.co.za> First rate automotive coverage and not at all confined only to Africa.
<http://www.smmmt.co.uk> SMMT. Top site – as you would expect it to be!
<http://www.fleetnews.co.uk> Fleet News Online - BAUER's site; stuffed with fleet info.

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