Sunday November 8th 2009

AUTOMOTIVE DESKTOP 2009

CONTENT:

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1. WORLD NEWS FROM JUST-AUTO.

http://just-auto.com

Following GM's decision last week to hang on to Opel/Vauxhall rather than sell to a consortium led by Magna, the fallout continues. But the fallout is not exactly unexpected. After the initial and predictably strong political reaction, especially in Germany, there's the realisation that people have to deal with a new set of circumstances to get the outcomes they want - or the 'least bad' ones.

Restructuring was coming down the tracks anyway, whoever eventually owned Opel/Vauxhall. Is GM's plan going to be much different from what Magna was preparing? The differences are maybe less than many people were thinking. Magna was playing the politicians to some degree, to win support for its bid in Germany. It played that game very well. And now, GM will be looking very carefully at how it approaches relations with national governments in Europe, especially Germany, where half of Opel/Vauxhall 50,000 strong workforce is based. Be careful not to take all of what you see in the press at face value.
If you were at GM and planning to visit Berlin soon to lay out a new business plan, you might want to stoke the cost-cutting fires up a bit before rocking up with a few olive branches for Mrs Merkel. Shut Bochum? No, where did you hear that? We just want to resize the plant for new market conditions and modernise it...

That things are so highly politically charged for GM is a consequence of having a multi-national footprint in Europe. The European Union, you see, is still - in reality - a rather fragmented place. There's a duality to the 'European project' that the Opel/Vauxhall saga has amply demonstrated. Sure, there's never been a shortage of grand designs and ideas aimed at consolidating European political unity - the Lisbon Treaty is the latest example - but when push comes to shove, competing national interests come to the fore. What's best for Opel/Vauxhall from a business perspective has been rather lost in the political horse-trading on which plants and jobs might go under restructuring. Look across the EU and you'll see very big differences in the way countries are run, lifestyles, cultures, the way that economies function, levels of taxes and so on. Is that a good thing? In some ways yes, in some ways perhaps not.

But when fundamental national interests or jobs are at stake it's pretty clear that, in Europe, the business case for a particular course of action may be subject to a good deal of political interference coming from nation states.

Until next time...
Dave Leggett, Managing Editor

2. THE WEEK IN BRUSSELS.

http://www.smmt.co.uk

1. Czech president completes European ratification of Lisbon Treaty

Czech president Václav Klaus has approved the Lisbon Treaty, marking the final stage of the European ratification process. Following a ruling from the Czech constitutional court, which found the Treaty to be compatible with the Czech constitution, President Klaus signed the Treaty into law. All 27 EU member states have now ratified the Treaty, which is due to come into force on 1 December. EU leaders are expected to gather on 13 November at an extraordinary European Council summit to decide on candidates for the newly created roles of president of the European Council and high representative for foreign affairs and security policy - who will also become a vice-president at the European Commission. National governments will also present their other European Commission nominees, in time for European Parliament deliberation in December. (Source: EurActiv) www.euractiv.com/en/future-eu/klaus-signs-lisbon-treaty-fully-ratified/article-187007

2. European Commission publishes latest economic forecast

The European Commission has published its latest quarterly economic forecast for 2009 – 2011. The Commission projects that the EU will emerge from recession in the second half of 2009, while EU GDP will fall as a whole by 4.1% over the year. Predicting a gradual recovery, the Commission says that EU GDP is expected to grow by 0.75% in 2010 and 1.5% in 2011. For the UK, the Commission forecasts that GDP will fall by 4.6% in 2009, with growth returning in 2010 at 0.9% and 1.9% in 2011. EU commissioner for economic and monetary affairs Joaquín Almunia, said: “To maintain momentum and support the sustainability of the recovery, it is essential that we fully implement all announced measures and complete the repair of the banking sector. We must also begin to look more towards the medium-term, and consider how best to address the adverse effects that the crisis has had on labour markets, public finances and potential growth”. (Source: European Commission)
europa.eu/rapid/pressReleasesAction.do?reference=IP/09/1663&format=HTML&aged=0&language=EN&guiLanguage=en

3. UK Conservatives outline new EU policy

David Cameron MP, the leader of the UK Conservative Party has outlined new policy on the EU following the ratification of the Lisbon Treaty. Presenting a range of constitutional-oriented measures, Mr Cameron set out policy that is to form the basis of its manifesto commitments on Europe prior to the upcoming UK general election. Included within its proposals, the Conservatives would, amend the 1972 European Communities Act, to legally require referenda on future EU treaties; introduce a United Kingdom Sovereignty Bill to Parliament, in response to European Court of Justice rulings the Conservatives feel extend agreed judicial boundaries; and change the law to extend parliamentary scrutiny via acts of parliament in approving “ratchet” clauses included within the Lisbon Treaty. Other proposals, to be more fully explored by a cabinet-level European Policy Committee in a new Conservative government, would seek to repatriate competencies on social and employment legislation to the UK, via future EU accession treaties. (Source: Conservative Party)

3. THE WEEK IN WESTMINSTER.

http://www.smmt.co.uk

1. Bank of England extends quantitative easing programme by £25bn

The Bank of England's Monetary Policy Committee has voted to continue its quantitative easing programme. The programme is to be extended by £25 billion which is expected to be spent over the next three months, bringing its total size to £200 billion. The programme is funded through the issuance of central bank reserves which are used to purchase assets for banks and other companies to stimulate the economy. The Bank of England says the extension of the programme which is smaller than previous injections, reflects the improving condition of a fragile economy. The committee also voted to maintain the interest rate at 0.5% in order to keep inflation levels on track to meet the medium term target of 2%. (Source: Bank of England) www.bankofengland.co.uk/publications/news/2009/081.htm

2. DfT launches climate change advertising campaign on car use

The Department for Transport (DfT) has launched a climate change advertising campaign on the impact of car use. National television and radio adverts will go live on Saturday 7 November, followed by a press campaign from 16 November, under government's Act on CO_2 marketing strategy. The campaign focuses on the impact of car travel on CO_2 emissions and suggests that driving five miles less per day will contribute to efforts in reducing carbon emissions. Transport minister Sadiq Khan said: "This campaign asks people to think more carefully about the journeys they routinely take. Our research has shown that driving five miles less a week is something people feel they can manage - for example, by combining journeys or walking and cycling a bit more for short trips." There will be three TV executions, with radio adverts focusing on how drivers can in practice reduce their driving by 5 miles via the '5 ways to save 5 miles' online portal. (Source: DfT/Act on CO_2) actonco2.direct.gov.uk/actonco2/home/campaigns/drive-5-miles-less-a-week.html

3. October new car registrations show sustained increase

SMMT has released the latest vehicle registration statistics for October 2009. New car registrations were up 31.6% to 168,942 units in October, although year-to-date registrations at 1,685,981 are down 12.3%. The large increase in registrations has been attributed to the Scrappage Incentive Scheme (SIS) which accounted for over 20% of new registrations and exhibited a fourth month of sustained growth. An 86% increase in private demand in October is further supporting the positive impact of the SIS. SMMT chief executive Paul Everitt said "We have seen additional demand created by the extension of the scheme and customers wanting to avoid the VAT increase planned for January. Encouragingly, there has also been an increase in demand in the fleet and business sectors, which will be critical in sustaining recovery next year." Meanwhile new van registrations and heavy commercial vehicle registrations continue to fall. New van registrations are down 18.5% year on year while heavy commercial vehicles are down 63.4% over the same period. (Source: SMMT) www.smmt.co.uk

4. CBI
http://www.cbi.org.uk

November 23rd, London Hilton, Park Lane.

To book:
http://www.cbi2009conference.org.uk/booking.asp

5. NEWS FROM "AFTERMARKET".
http://www.aftermarketnetwork.com

TOUGH TIMES HAVE BROUGHT VMS AND DEALERS CLOSER TOGETHER, SAYS NETWORK AUTOMOTIVE

DEALERS are no longer able to meet the stringent standards set by manufacturers, according to industry consultancy Network Automotive.

The consultancy says dealers and VMs have been brought closer together by the economic climate; expecting less in the way of financial commitments but more in terms of flexibility and co-operation.

Managing director Colin Bruder said: “The recession has meant that there has been simply less money in the pot for both manufacturers and dealers, and this has undoubtedly affected their relationship.

“Dealers are no longer able to afford to follow the type of stringent standards specified by manufacturers in recent years, especially where this requires considerable investment.

“In turn, manufacturers can no longer provide the kind of marketing support seen in recent years. Special offers involving low cost finance, for example, have become much rarer.”

Colin said that manufacturers and dealers were concentrating on getting the basics of their businesses right at the lowest cost.

“For dealers, this may be a renewed concentration on customer relationship management in order to ensure that as much loyalty to the manufacturer is achieved as possible.”

6. NEWS FROM BODYSHOP MAGAZINE.

http://www.bodyshopmag.com

BODYSHOP
www.bodyshopmag.com

Enterprise Rent-A-Car UK Ltd has appointed Audatex as its estimating and claims management technology supplier.

Under this agreement, Enterprise Rent-A-Car is deploying Audatex' AudaEnterpriseGold estimating solution to automate the management of vehicle repairs, which exceed 30,000 annually across a fleet of over 38,000 vehicles.

The move is part of a radical reorganisation of the company's body repair and claims resource which has seen the creation of a desktop engineering function designed to support its existing vehicle repair department, serving 330 rental branches nationwide.

The vehicle repair department acts as a work provider to the company's network of over 110 approved body repairers. The Audatex system is integral to the new structure, providing centralised estimating and communications which enable consistent and efficient operations across Enterprise Rent-A-Car's entire repair and claims function.

'Audatex is a well-respected industry standard and selecting it was an obvious choice,' said, Craig Feather, Corporate Vehicle Repair/Service Operations Manager, Enterprise Rent-A-Car. 'With time always at a premium, getting a vehicle repaired and back on the road quickly is key for our business and our customers. Using Audatex' estimating and claims management solution will enable our Vehicle Repair Teams to provide speedy assessment approvals, and an enhanced method of communication.'

7. FLEET NEWS ONLINE.
NEWS FROM BAUER's ON LINE PUBLICATION.
http://www.fleetnews.co.uk

The biggest vehicle reliability survey in the country has named the Honda Civic as the most reliable car. The survey, which quizzed the country's largest fleet operators who between them run more than a million vehicles, saw the Civic take top position from its nearest rival the BMW 3 Series.

Honda and BMW were the only two carmakers on the leader board, which revealed that Honda made three of the top five most reliable cars and BMW the remaining two.

The results were a major endorsement for Honda, which saw its Jazz and Accord take third and fourth place respectively.

The BMW 5 Series secured fifth place.

The UK's 50 largest fleet companies were asked to rate their most reliable vehicles and manufacturers among their combined fleet of 840,000 cars and 183,000 light commercials.

While Honda dominated the most reliable vehicle category, it was BMW who took the other highly-coveted title in this year's FN50 reliability survey, after it was crowned most reliable car manufacturer for the second year in a row following a photo finish with Honda.

The two marques finished with equal ratings from Britain's biggest leasing companies, but more companies nominated BMW as one of their most reliable brands, thus securing the manufacturer's top place.

The top table of the most reliable manufacturers confirms the widely-held belief that it is the German and Japanese who make the most dependable vehicles.

Audi took third place, jumping from seventh last year, while Toyota was in fourth, leaving Volkswagen and Mercedes-Benz equalling last year's fifth and sixth places respectively.

Follow this link http://www.fleetnews.co.uk/FN50 to find out more about the FN50 and discover which are the country's biggest lease companies.

8. HIGHLIGHTS.

NEW REPORT CALLS FOR REINVENTED AUTO INDUSTRY

In the wake of the collapse of GM and Chrysler and many of their suppliers, a new book by auto industry academics Dr Paul Nieuwenhuis and Dr Peter Wells of Cardiff Business School forecasts radical reshaping of the global car industry.

No conventional management report, *Car Futures – Rethinking the automotive industry beyond the American model* – is aimed at policy makers, academics, environmental NGOs, and of course, the industry itself. Authors Wells and Nieuwenhuis say, "We hope to shock all of these interest groups at least some of the time as a contribution to the reconstruction of what remains a vital industry."

This book is published by the auto industry research firm Trend Tracker at a time when the industry is about to embark on a period of possibly dramatic change. The prospect widely expected in the 1990s of an industry much the same shape as today's but consolidated into maybe six global super-companies, is giving way to something much more diverse, both in terms of its products and the companies that build them.

Drawing on the history of the auto industry since mass production began in Detroit, the authors argue that the crisis of the once-'Big Three' (GM, Ford, Chrysler) has put in question the whole American business model, copied worldwide, that once underpinned their dominance.

The authors chart the rise of the Asia-Pacific region as the driver of current production and demand growth, but argue that while the world's population may peak at about 10 billion, global resources will never permit most of the world to enjoy anything like the 0.75 cars-per-capita US level of car ownership.

Unlike many other analysts, Nieuwenhuis and Wells take account of the important role of used cars in assuring the world's mobility, and acknowledge the crucial economic importance of activities downstream of car assembly plants.

Transforming the industry's prospects

They write in the report's Executive Summary, *"There is a mistaken belief among car manufacturers that their activity is the be all and end all of automobility. While there is no car market without somebody making a car, there is no business without somebody making money, and that is where car makers seem to be missing a trick or two. Manufacturers only capture a limited slice of the total automotive value chain.*

"New business models for the future would need to capture more of that value chain by integrating assembly, distribution and aftercare. This kind of thinking could also ultimately lead to a more sustainable car industry in economic, social and environmental terms. The current recession with its attendant credit crunch may well accelerate this process of industrial transformation. Many current players have proved to be ill-adapted to the 21st century automotive ecosystem. We may see some radically new business models emerge within the next 10 or 20 years."

Besides preparing readers for the future, *Car Futures – Rethinking the automotive industry beyond the American model* also provides the historical information and economic and technical data to help readers understand how the auto industry became the problematical phenomenon it now is, commanding big subsidies to support overcapacity while its global environmental footprint is still growing.

Novel publishing strategy

Wells & Nieuwenhuis pioneered thinking about reducing break-even volumes for the car industry with the aid of new technologies and business structures. And their new book is being published by Trend Tracker with a similar approach. Rather than a large-volume report that would tie up cash and physical resources in stock, the book is published as an electronic download, plus optional bound A4 paperback copy, printed more or less on-demand. As with Wells' & Nieuwenhuis' 'micro-factory retailing' scheme for car production, lean, responsive production and vertically integrated distribution take precedence over minimising the publisher's unit costs – yet the book is priced within reach of the individuals and students who will benefit from it as well as policy makers, academics, NGOs and of course, auto industry executives.

Further information for editors

Car Futures – Rethinking the automotive industry beyond the American model, 100 A4 pages including 28 tables, charts and photos, is published online by the auto industry research specialist Trend Tracker Ltd. An electronic PDF copy downloaded from www.trendtracker.co.uk is priced at £49.00 + VAT, while this PDF together with a printed and wire-bound soft cover copy is priced at £69.00 + VAT, inclusive of inland/surface despatch.

Until midnight on 20 November, Trend Tracker is offering the *Car Futures* PDF + book package at a special launch price £55.00 + VAT

Dr Paul Nieuwenhuis AffIMI and Dr. Peter Wells are co-directors of the globally influential Centre for Automotive Industry Research at Cardiff Business School, one of the few academic centres globally to study this sector and its broader impact. CAIR is part of the Logistics and Operations Management section of Cardiff Business School and it aims to remain one of the leading academic centres in the EU dedicated to the economic and strategic aspects of the world automotive sector. In 2001 CAIR became linked with the Business School's new Centre for Business Relationships, Accountability, Sustainability and Society (BRASS), being responsible for the BRASS research strand in sustainable mobility and sustainable business models.

(http://www.cf.ac.uk/carbs/research/centres_units/cair.html)

For further information on *Car Futures* or to arrange author interviews, please call Toby Procter of Trend Tracker at 07974 453911, or email tprocter@trendracker.co.uk

9. E-COMMENT.

Last weekend saw me doing the London to Brighton Veteran Car Run – it may have been wet but it did not stop people completing the journey and then embarking on some very attractive picnics!!

Sincerely

Christopher
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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.smmt.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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