

Sunday November 29<sup>th</sup> 2009

# AUTOMOTIVE DESKTOP 2009

## **CONTENT:**

1. World News from **JUST-AUTO** <http://just-auto.com>
2. The Week in Brussels. <http://www.smmmt.co.uk>
3. The Week in Westminster. <http://www.smmmt.co.uk>
4. Latest UK CBI economic data. <http://www.cbi.org.uk>
5. News from "Aftermarket". <http://www.aftermarketnetwork.com>
6. News from Bodyshop Magazine. <http://www.bodyshopmag.com>
7. Fleet News Online. <http://www.fleetnews.co.uk>
8. Highlights
9. E-COMMENT.

**MY WEBSITE IS [www.christophermacgowan.com](http://www.christophermacgowan.com)**

**SKYPE: Contact me on [felsted500](https://www.skype.com/user/felsted500)**



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>

## **1. WORLD NEWS FROM JUST-AUTO.**

<http://just-auto.com>



## **COMMENT: SAD DEMISE FOR SAAB IN PROSPECT**

Source: Dave Leggett

**General Motors hasn't exactly covered itself in glory with the example of brand management provided by its stewardship of Saab. That things have got to where they are now is a consequence of a failure to invest and a lack of direction for the premium marque ever since GM first got involved with Saab in 1990, as well as the impact of the crisis for the auto industry this year which left GM with few options.**



[view image](#)

The proposed sale to Koenigsegg has ultimately unravelled because pieces of the jigsaw on the finance side weren't coming together quickly enough as far as the prospective new owner was concerned. It's a massive and cruel blow for Trollhattan, where many were optimistically eyeing a new start with a new culture and the fillip that a new flagship model (a cruel irony) would provide.

Will a new buyer for Saab quickly emerge? Will BAIC, an important element in the background of the Koenigsegg bid, return for another bite of the cherry? They may do, but there must be doubts now about whether BAIC can satisfactorily restart the negotiating process (and allay GM concerns on technology transfer) on a timescale that suits GM. Is anyone else coming in for loss-making Saab? No-one is going to be trampled in the rush. Any new buyer will be faced with the same hurdles Koenigsegg was.

The Swedish government is still prepared to make loan guarantees, but it has to be a credible business plan and buyer. A public bailout appears to have been ruled out.

If there is no new prospective buyer in the frame, what will GM decide when its board meets next? Will it do a 180 and decide that it can, after all, rescue the ailing brand? It is not impossible, but it doesn't look very likely.

GM is still very much in the mire and concentrating on what it needs to do to survive. It concluded that it needs to hold on to Opel/Vauxhall to have presence in Europe. That was too much to give away and would have impaired its chances of long-term survival and success.

But Saab? It is not a must-have in the way Opel/Vauxhall is for a GM that wants to be a credible global player; it will perhaps be seen as a luxury GM cannot afford.

Saab has a small share of the prestige segment and is dwarfed by the big German brands. Building the brand up is a long-term project that will take investment. Relocating all production to Trollhattan was perhaps fine for a new owner, but it wasn't so long ago that GM was saving on industrial cost by planning to make most Saabs in Russelsheim. Is there a way to do that again? Rejig Saab production to do it more cheaply? Perhaps do a small Saab on the Delta (Astra) platform and make it at an Opel plant? The flip-side of such a strategy would, again, be the headache of low capacity utilisation at Trollhattan.

Or could GM simply pick up the current Saab plan, the one that has apparently failed to get sufficient backing in time? If it's such a winner, why has a frustrated Koenigsegg simply walked away?

The harsh reality is that GM executives may not even want to reopen the Saab file. How big is the operating loss and how much investment is needed over the next five years? Saab was in the out tray and has come back in to haunt. There is perhaps a feeling that there is more than enough to do at GM without the additional management distraction of fixing loss-making Saab on top.

A decision to wind-down Saab would not be a big surprise. But if it does happen, it will be a sad end to a brand that would not be in this desperate situation if it had been managed better.

*Dave Leggett*

## **2. THE WEEK IN BRUSSELS.**

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



### **1. Barroso announces new EU commissioner posts**

European Commission president Jose Manuel Barroso has announced commissioners-designate and their portfolio roles for the new European Commission. Mr. Barroso has created a number of new portfolios and re-arranged others, including the introduction of a new climate action commissioner (Connie Hedegaard - Denmark), a separate energy commissioner (Günter Oettinger - Germany), and a separate environment commissioner (Janez Potočnik - Slovenia). Transport will be headed up by Siim Kallas from Estonia; industry and entrepreneurship by Antonio Tajani from Italy; Máire Geoghegan-Quinn, Ireland, for research and innovation; Olli Rehn, Finland, for economic and monetary affairs, Karel de Gucht, Belgium, for trade; and Michel Barnier, France, for internal market and services. The UK's commissioner will be Baroness Ashton, who was appointed high representative of the union for foreign affairs and security by the European Council, but will also sit in the Commission as a vice-president. 14 commissioners-designate, including Mr Barroso, were already members of the outgoing Commission. Commissioners-designate will appear before European Parliament committees for hearings between 11 and 15 January in Brussels, and MEPs will vote on the Commission as a whole in a special mini-plenary session in Brussels on 26 January. The new Commission is expected to start work in February 2010 (Source: Financial Times)

[www.ft.com/cms/s/0/74f151e2-dac8-11de-933d-00144feabdc0.html](http://www.ft.com/cms/s/0/74f151e2-dac8-11de-933d-00144feabdc0.html)

### **2. European Parliament has adopted new tyre labelling regulations**

The European Parliament has adopted new tyre labelling regulations that will help consumers make more informed choices by allowing them to easily compare tyre characteristics. The new regulation stipulates that from 1 November 2012 all new tyres on sale in Europe will be classified for fuel efficiency, wet grip and noise performance. The new tyre labelling system will categorize tyres using classes to measure best performance under the new criteria ranging from the best (green "A" class) to the worst (red "G" class). The suppliers of tyres for passenger cars, light and heavy duty (C1, C2 and C3 tyres) will have to provide information about inform consumers fuel efficiency, wet grip and noise performance in any technical promotional material including websites, although re-tread tyres, off-road professional tyres and racing tyres will not have to meet this requirement. All C1 and C2 produced after 1 July 2012 must be accompanied by a label if they have not been issued with a sticker. Member states will no longer be allowed to provide incentives for tyres below class 'C' on fuel efficiency and wet grip in a bid to promote higher performance tyres. The regulation is expected to have environmental benefits by inducing fuel savings of 2.4 to 6.6 Mtoe (million tonnes of oil equivalent) in 2020 depending on the speed of transformation. Energy Commissioner Andris Piebalgs said, "This is a typical win-win situation where consumers and fleet managers will be able to choose safer and low noise tyres and save on their fuel bills while the European Union as a whole will benefit from reduced road transport emissions."

(Source: European Parliament/European Commission)

[www.europarl.europa.eu/news/expert/infopress\\_page/051-65051-327-11-48-909-20091123IPR65050-23-11-2009-2009-false/default\\_en.htm](http://www.europarl.europa.eu/news/expert/infopress_page/051-65051-327-11-48-909-20091123IPR65050-23-11-2009-2009-false/default_en.htm)

### **3. US and China unveil commitments on carbon reductions**

President of the United States, Barack Obama has unveiled the US commitment to cut carbon reductions, followed by China unveiling targets a day later. President Obama has announced a target of reducing CO2 emissions by 17% by 2020 CO2 emissions by 2020 based on 2005 levels with that figure rising to 42% by 2030 and 83% by 2050. The targets have however been criticised by some NGO's who claim that basing the targets on 2005 instead of the conventional 1990 emission levels is means that the actual reductions will be a lot smaller. Barack Obama also announced that he would attend day three of the climate change conference in Copenhagen effectively missing much of the decision making process. Chinese premier, Wen Jiabao demonstrated China's commitment to the Copenhagen climate summit by announcing that he would attend the negotiations. China also announced that they would reduce the amount of CO2 emitted per unit of GDP known as carbon intensity, by 40-45% from 2005 levels by 2020. (Source: The White House/BBC) [www.whitehouse.gov/the-press-office/president-attend-copenhagen-climate-talks](http://www.whitehouse.gov/the-press-office/president-attend-copenhagen-climate-talks)

### **3. THE WEEK IN WESTMINSTER.**

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



#### **1. Mandelson addresses SMMT International Automotive Summit**

Business secretary Lord Mandelson addressed industry executives at the SMMT International Automotive Summit. Reiterating government's support for the industry and its importance in moving forward in economic recovery, Lord Mandelson said: "This industry is the cornerstone of Britain's manufacturing economy". He outlined government's response to the report by the New Automotive Innovation and Growth Team (NAIGT), and spoke of the need for collaboration between government and industry to make the UK the leading location of automotive manufacturing. The summit brought together senior executives from across the automotive sector. Three discussion sessions focused on the economic situation facing the industry, technological challenges and consumer perceptions. Shadow business minister Mark Prisk MP also spoke at the summit, saying that the Conservative Party shares the ambition that industry and government should be working closer together as stated in the NAIGT report. (Source: SMMT, BIS) [www.bis.gov.uk/automotive-summit-reinventing-a-modern-classic](http://www.bis.gov.uk/automotive-summit-reinventing-a-modern-classic)

#### **2. Members of Automotive Council announced**

The Department for Business, Innovation and Skills has announced the membership of the newly formed Automotive Council. Lord Mandelson, who will co-chair the Council together with Richard Parry-Jones, highlighted the names in his speech to the SMMT International Automotive Summit. The Automotive Council was a key recommendation of the NAIGT, with the aim of a high-level structure in which government and industry can work collaboratively on the key future issues for the sector. Members of the Council cut across wide sectors of the automotive industry, together with representatives from SMMT, Unite the Union and other organisations. The first meeting of the Automotive Council is expected to be held in December. A Supply Chain Council and a Technology Council will also be set up as part of the Automotive Council. (Source: BIS) [nds.coi.gov.uk/clientmicrosite/content/Detail.aspx?ReleaseID=408921&NewsAreaID=2&ClientID=431](http://nds.coi.gov.uk/clientmicrosite/content/Detail.aspx?ReleaseID=408921&NewsAreaID=2&ClientID=431)

#### **3. Party leaders set out business priorities at CBI conference**

All three main party leaders spoke at the CBI's annual conference, setting out their business priorities ahead of a general election in 2010. The prime minister Gordon Brown MP focused on elements of government policy outlined in the Queen's Speech, including commitments to cut the public-sector deficit, but also chose to look at the UK's relationship with Europe, in encouraging growth on an international basis. David Cameron MP, leader of the Conservatives, also talked about reducing the deficit as a core priority for a Conservative government. He said: "Dealing with this deficit is not an alternative to economic growth - the two go hand in hand." Meanwhile, the Liberal Democrat leader Nick Clegg MP warned that a "premature fiscal contraction" would not ensure the best conditions for economic growth and recovery. (Source: CBI)

[www.cbi.org.uk/ndbs/content.nsf/802737aed3e3420580256706005390ae/2663e6bbd02e87c88025728300456f90?OpenDocument#4](http://www.cbi.org.uk/ndbs/content.nsf/802737aed3e3420580256706005390ae/2663e6bbd02e87c88025728300456f90?OpenDocument#4)

#### **4. LATEST UK CBI ECONOMIC DATA.**

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



#### **HIGH STREET SALES GROW AND FESTIVE SEASON LOOKS STRONGER**

Retail sales grew at their fastest pace in two years, and the high street is expecting growth to pick up further in the run-up to Christmas. Its latest Distributive Trades Survey also showed that business sentiment about the retail sector over the coming three months is now positive for the first time since August 2007.

Responding to the survey, 40% of retailers said that their volume of sales in the year to November had risen, while 27% said they fell. The resulting balance of +13% reflects a second consecutive month of growth and, while not quite as strong as expected (+19%), it was the highest balance since November 2007 (+13%).

A balance of 19% of retailers expect that, when compared with last December, sales volumes will improve next month in the critical pre-Christmas period.

In light of the growth in sales, the high street is feeling quite optimistic about the outlook for their general business situation. The balance of 13% of firms expecting an improvement over the next three months is the first positive result since August 2007 (+10%) and the strongest since May 2004 (+22%).

The volume of orders placed on suppliers (a balance of 12%) rose for the first time since January 2008 and at the strongest rate since November 2007 (+18%).

Only a net 2% of firms said that sales were poor for the time of year, which was somewhat better than predicted (a balance of -7%), while a net 3% expect sales to be above the seasonal norm in December. The three month moving average of sales volumes, which smoothes out monthly peaks and troughs, turned positive (a balance of +8%) and is expected to grow further in December (+14%).

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



**AFTERMARKET DIGITAL EDITION:**

There are loads of reasons to use Aftermarket's online digital edition at <http://www.browse-and-read.co.uk/aftermarket/2009-11/1> Here you can: check out the latest info any time you are on line and look up loads of technical articles!



You can even look through back copies of Aftermarket to catch up on any news, info or products you might have missed first time round!



## **6. NEWS FROM BODYSHOP MAGAZINE.**

<http://www.bodyshopmag.com>



### **SPAGHETTI JUNCTION IN BIRMINGHAM HAS TOPPED A SURVEY OF BRITAIN'S SCARIEST ROAD SYSTEMS.**

The poll for breakdown firm, Britannia Rescue, placed the M8 junctions through Glasgow in second with London's Marble Arch taking third spot. Between them, Birmingham, London and Glasgow took eight of the top 10 spots.

The survey of 3,225 drivers found that as many as eight per cent avoided 'scary' junctions altogether and drove an average of 238 miles extra each year on detours. The poll also showed that two per cent of motorists are so nervous they avoid making right turns at all costs, while 14% do not go near urban areas.

The UK's 10 scariest junctions were:

- 1) Gravelly Hill (Spaghetti Junction), Birmingham
- 2) M8 junctions through central Glasgow
- 3) Marble Arch, London
- 4) Magic Roundabout, Swindon, Wiltshire
- 5) Hanger Lane Gyratory, west London
- 6) M5/M6 intersection, Birmingham
- 7) Piccadilly Circus, London
- 8) Five Ways junction, Birmingham
- 9) Magic Roundabout, Hemel Hempstead, Hertfordshire
- 10) Kingston Bridge, Glasgow

Britannia Rescue General Manager Simon Stevens said, 'All drivers have to deal with particularly hairy intersections from time to time. But what this research shows is that badly designed and confusing junctions are spoiling the driving experience for many motorists. Some will even drive hundreds of miles out of their way every year to avoid difficult junctions. We urge motorists to familiarise themselves with tricky road junctions so that they are better prepared when they have to use one.'

Source: BBC News

**7. FLEET NEWS ONLINE.**  
**NEWS FROM BAUER'S ON LINE PUBLICATION.**  
<http://www.fleetnews.co.uk>

**fleetnews.co.uk**



Employers should prevent staff from using their own vehicles for business unless they can give proof that their car is roadworthy and insured, say the BVRLA.

Speaking at the Office of Government Commerce (OGC) grey fleet conference this week, BVRLA chief executive John Lewis told delegates that they needed to adopt a 'zero tolerance' policy on staff who were unable to prove that their vehicle was properly maintained and insured or give details of their driver licence status.

He also warned that some organisations were paying far too much in mileage payment rates, thus giving staff an extra incentive to drive more business miles, as revealed by Fleet News.

## 8. HIGHLIGHTS.



### NORBERT HAUG TO BE PATRON OF GERMAN F1 IN SCHOOLS CHALLENGE

F1 in Schools is delighted to announce that Vice President, Mercedes-Benz Motorsport, Norbert Haug, has agreed to be a patron of the F1 in Schools Challenge in Germany, Formel 1 in der Schule. Haug joins a roster of top names in Formula 1 who are already patrons of this global educational initiative, including Ross Brawn, Team Principal of Mercedes Grand Prix, the team purchased by Daimler AG earlier this week; Mike Gascoyne, Technical Director, Lotus F1 and Adrian Newey, Chief Technical Officer, Red Bull Racing.

Haug said of lending his support to F1 in Schools, "Formula 1 is a technically sophisticated sport which attracts highly qualified engineers who have a passion for motor racing. F1 in Schools is definitely a great initiative to motivate students to envisage an engineering career in Formula 1. It is never too early to train in the basic skills you need if you want to become an engineer one day.

"F1 in Schools provides the ideal basis for young people worldwide to prove their engineering talents in a very competitive environment and lead them up to the technical side of Formula 1 in a way that is real fun. I really appreciate the work that is done by F1 in Schools which also is of great social value.

"It is nice that F1 in Schools is also represented in Germany and that Formel 1 in der Schule is now in the fourth year of the challenge. I am happy to support Formel 1 in der Schule as a Patron and I wish the promoters, the young competitors and everybody involved in the project every success."

Andrew Denford, Founder and Chairman, F1 in Schools says of Haug agreeing to become a patron of F1 in Schools, "We are very grateful to Norbert Haug for linking with F1 in Schools and in particular Formel 1 in der Schule, the challenge which takes place in Germany, just one of over 30 countries in which we operate.

"This comes at a very exciting time for Mercedes-Benz Motorsport and Formula 1, with the manufacturer now having their own team in the FIA F1 World Championship, led by another

of our patrons, Ross Brawn. Norbert has been involved in Formula 1 for over 15 years and has a great depth of knowledge and passion for the sport. We know that he will be inspirational to all the students who participate in our F1 in Schools programme and thank him for giving us his support."

This unique student challenge is the largest global educational initiative. The students use CAD/CAM software to design, build and test a model compressed air-powered balsa wood F1 car of the future and it takes place in over 30 countries around the world, with an estimated 14 million school children aware of this engineering challenge.

The initiative has the backing of the Formula 1 industry, with Bernie Ecclestone granting F1 in Schools a world-wide protected trademark and new logo in 2005. Since this time the initiative has built close links with teams and personalities within Formula One.

F1 in Schools is regarded by the Formula One fraternity as a platform for introducing Formula One to a global teen demographic. The student challenge is also helping Formula One shed its image as an elitist sport accessible only to multi-million pound budgets; on the contrary, F1 in Schools is open to any school with access to a simple computer.

[Alison@id-pr.co.uk](mailto:Alison@id-pr.co.uk)

**9. E-COMMENT.**



© Christopher Macgowan Images.

Since everyone seems to have started Christmas in November I thought I might as well do the same and wish you a very Happy Christmas and sort of get my retaliation in first!! Readers will be pleased to know the bird population here is thriving – and I was totally startled the other day to find a heron in my garden very close to the house. I get foxes, deer and badgers – but a heron is a first.

Sincerely

Christopher  
Christopher Macgowan  
THE AUTOMOTIVE E-MAIL GROUP.  
[christopher@christophermacgowan.com](mailto:christopher@christophermacgowan.com)

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.

TO UNSUBSCRIBE, DROP A LINE TO ME ON [chrismacgowan@dial.pipex.com](mailto:chrismacgowan@dial.pipex.com)

AUTOMOTIVE DESKTOP is a personal production from Christopher Macgowan and does not reflect the policy and stance of any particular company, organisation or pressure group. Members of the Automotive E-mail Group receive AUTOMOTIVE DESKTOP forty five times a year.

MISSION STATEMENT. The mission statement of the Automotive E-mail Group is "to provide wide-ranging global information on the automotive industry by e-mail and to encourage members to sign up to AUTOMOTIVE DESKTOP starred websites to further enhance delivery of key information which will be helpful in career development and levels of professionalism."