

Sunday January 17<sup>th</sup> 2010

# AUTOMOTIVE DESKTOP 2010

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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>

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

<http://just-auto.com>



## **DETROIT SHOW: VW CONCEPT WINS PRESS PLAUDITS**

**Source: headlineauto**

Volkswagen wowed Detroit show goers in 2009 with its Concept Bluesport and this year it also won many press plaudits for its New Compact Coupe, based on the latest Golf.



Some US reports have suggested the NCC - which looks production-ready - could be built at VW's new Tennessee factory, currently under construction, within two years.

The NCC is powered by a 148bhp direct injected, turbocharged 1.4-litre TSI engine, which drives the front wheels via a seven-speed DSG gearbox, a power train not (yet) offered in the US where even the entry level Golf has a 2.5-litre I5.

But there's also a 20kW electric motor which is used to boost acceleration or enable zero-emissions running. VW claims a top speed of 141mph (225km/h) and 0-62mph (100km/h) acceleration in 8.6 seconds. Even more impressive is the claimed 67.3mpg and CO2 emissions of 98g/km helped by a stop-start system.

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

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



### **1. European Commission holds commissioner-designate hearings**

The European Commission has begun a series of Commissioner-Designate Hearings. This week Siim Kallas, EU Commissioner-Designate for Transport, appeared in front of the European Parliament Transport and Tourism (TRAN) committee and vowed to defend a strategic vision saying that he wanted EU money spent on large infrastructure projects rather than small ones. He also made a strong pledge for further liberalisation of the European transport market. Rail transport, road pricing, working time issues and Trans-European Transport Networks (TEN-T) were amongst the other key issues discussed.

Janez Potocnik the European commissioner-designate for Environment appeared before parliament to discuss key issues such as resource-efficiency and better regulation, the EU2020 strategy, transparency and the Commission's organisation. Joaquin Almunia, commissioner designate for Competition appeared in front of the European Parliament for his hearing where competition policy, state aid, the economic crisis and transport-related competition issues were all discussed. Connie Hedegaard the Commissioner-designate for Climate Action, appeared before the European Parliament's Industry, Research and Energy Committee to discuss the recent Copenhagen conference on Climate Change and the Emissions Trading Scheme. Other hearings that took place this week included; Research, Innovation and Science with Maire Geoghegan-Quinn Energy with Gunther Oettinger and Digital Agenda with Neelie Kroes (ITRE). (Source: BBB)

### **2. New ISO standard available to test brake pads**

A new ISO standard has been launched providing an all-in-one test for testing brake pads. The ISO will ensure drivers are receiving optimal safety and performance for their braking system. Currently a variety of brake pad testing is available with verification known as "wear testing" of the pad material on braking systems used to measure accuracy and reliability. However manufacturers face costly and time consuming multiple testing. This new ISO will reduce these problems by creating a system that would allow the brake pad to be tested once and accepted in all markets. ISO 26866:2009 provides a standard test procedure for commercial vehicles with air brakes in the categories M2, M3, N2, N3, O3 and O4, as defined in the United Nations Economic Commission for Europe (UN/ECE) consolidated resolution on the construction of vehicles (UNECE R.E.3), gathering all relevant wear requirements in a single procedure. The ISO is used in conjunction with other applicable standards or test procedures to fully assess friction material for use in market or vehicle platforms. Michael Rohde, Project Leader of the standard commented, "The harmonization of commercial vehicle applications is no longer just a long-term goal. It is a reality with the new ISO 26866. The automotive industry stands to gain substantial benefits, including time and cost savings." (Source: ISO)

[www.iso.org/iso/pressrelease.htm?refid=Ref1279](http://www.iso.org/iso/pressrelease.htm?refid=Ref1279)

### **3. European Commission reveals green transport plans**

The European Commission is considering introducing CO<sub>2</sub> emissions standards for lorries and traffic management measures such as road pricing to help mitigate the transport's greenhouse gas emissions. The statement follows European Commission president José Manuel Barroso announcement in September 2009 that the decarbonisation of transport would be his priority in his second term as president. The outgoing environment commissioner Stavros Dimas had proposed a combined climate and transport policy package to address the issue. (Source: ENDS)

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

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



#### **1. RBS and NatWest launch fund to support UK manufacturing sector**

RBS and NatWest have launched a fund to support the UK manufacturing sector. The £1 billion fund will help stimulate recovery in the sector by offering competitive fixed rate loans which have a three year deferral option for repayments for UK manufacturing businesses. The bank has launched the fund following feedback for customers in the sector who are anticipating growing demand for their products over the coming years. Peter Ibbetson, chairman of business banking at NatWest and RBS said, "As we see many of our manufacturing customers turning their thoughts to investment in order to drive competitiveness, we want to send a clear message of support to them by creating a fund that is designed specifically to enable that investment. We believe the fixed rate deals we are launching today are better than you would find anywhere else in the market currently." Alastair Murray, Group Finance Director of Dairy Crest Group PLC added, "Anything that is designed to help UK manufacturers invest for growth should be welcomed. The fund should be seen as a positive initiative in this respect." (Source: RBS) [www.rbs.com/media/news/press-releases/2010-press-releases/2010-01-14-fund-launch.ashx](http://www.rbs.com/media/news/press-releases/2010-press-releases/2010-01-14-fund-launch.ashx)

#### **2. DfT announces support for Motor Codes**

The Department for Transport has given its backing to Motor Codes with Under-Secretary of State at the Department for Transport, Paul Clark MP, acknowledging both political and industry wide backing for the Code. Motor Codes subscribes to the Office of Fair Trading approved Code of Practice and is the largest consumer protection code of its kind with a subscriber base exceeding 6,200 garages nationwide. Motor Codes provides motorists with a tailored list of nearby garages that guarantee to meet certain quality, service and price standards. During 2010 Motor Codes plans to significantly increase the number of visits to Motor Codes garages through a series of national, high profile awareness campaigns. Paul Clark MP commented, "We encourage motorists to use a garage

that subscribes to an Office of Fair Trading approved code of Practice, such as the Motor Industry Code for Service and Repair. Membership of such a code demonstrates the garage's commitment to standards of work, customer service and procedures for redress." (Source: SMMT)

[www.smmt.co.uk/articles/article.cfm?articleid=21090](http://www.smmt.co.uk/articles/article.cfm?articleid=21090)

### **3. Transport Secretary launches new high-tech school buses**

Secretary of State for Transport, Rt. Hon Lord Adonis has attended the launch of a new line of high-tech school buses in Birmingham. The buses similar to America's Yellow School Buses were developed under transport authority Centro's Bus Travel strategy in collaboration with The Green Bus and the Dame Elizabeth Cadbury Technology College. The two state of the art bus services which carry around 300 pupils to school every day will run to Bournville School and Sixth Form Centre allowing students to travel using safe, environmentally friendly and congestion reducing transport. The buses which operate on a designed route to minimize walking distance for pupils are also equipped with a live tracking tool, WiFi and free text message alerts to notify users of any delays or diversions. Rt. Hon Lord Adonis, Secretary of State for Transport, said: "With a billion car trips a year being made exclusively for the school run, providing safe, attractive and reliable transport for pupils has real potential to free up our roads and reduce our carbon emissions. These new services from Centro and The Green Bus go even further by embracing new technology to reassure parents and giving students state-of-the-art incentives to travel sustainably." (Source: Centro)

[centro.journalistpresslounge.com/centro/news/index.cfm/fuseaction/details/id/2D529726-13D3-97AA-2D1192BBF9C5F643/cnt/1/ref/main/type/News%20Releases/ses/1.cfm](http://centro.journalistpresslounge.com/centro/news/index.cfm/fuseaction/details/id/2D529726-13D3-97AA-2D1192BBF9C5F643/cnt/1/ref/main/type/News%20Releases/ses/1.cfm)

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

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



#### **PICK-UP IN UK FINANCIAL SERVICES SECTOR ACTIVITY DISAPPOINTING, THOUGH PROFITABILITY CONTINUES TO IMPROVE - CBI/PwC**

No further growth expected in early 2010

Activity in the UK financial services sector increased slightly over the past three months, continuing the rally of the previous quarter, but the modest growth was less than expected and firms expect volumes of business to fall in the coming quarter, a new survey revealed today (Monday).

Business volumes rose a little in the three months to December, and firms' profitability also increased, helped by cost reductions and increased spreads, according to the latest CBI/PwC Financial Services Survey.

However, firms do not expect growth in business volumes to continue over the coming three months and do not anticipate improving profitability, despite further cost reductions.

Asked how their business volumes fared in the three months to December, 32% said that volumes rose, while 28% said they fell. The resulting balance of +4% is slightly lower than September's +7%, and less than expected (+16%). A balance of 13% of firms expects a reduction in business volumes over the coming quarter – the most negative expectation since December 2008 (-25%).

Banks and securities traders do not expect the growth in business volumes they have seen over the past three months to be maintained in the coming quarter.

Looking across the customer groups, the slight upturn in business with private individuals seen in the past quarter (balance +6%) is not expected to continue into the next (-9%). Poor conditions in lending to industrial & commercial companies and financial institutions continued over the past three months, and only a very slight improvement is expected in the next.

The value of fee, commission and premium income rose by less than expected (a balance of +4% against +22%). The value of net interest, investment and trading income fell unexpectedly (-27% against +9%). Firms expect falls in both types of incomes in the next three months, with the lowest ever balance for expected interest, investment and trading income in the survey's 20-year history (-54%).

Ian McCafferty, CBI Chief Economic Adviser, said:

"The bounce in UK financial services activity over the past six months is not expected to last as we enter 2010. Firms see their business volumes falling back again, with no further improvement in profitability over the next three months.

"On a more positive note, financial services firms' confidence in the general business situation has continued to increase, profitability improved and a much slower reduction in

numbers employed was seen in this survey. Job losses are also expected to be minimal in the coming quarter."

Business sentiment improved for the third quarter in a row, with a balance of +31% of firms more optimistic about the general business situation than in September.

Total operating costs (excluding costs of funds) fell for a balance of 38% of firms, the most since the March survey. The greatest balance of firms (-39%) since June 1992 (-39%) expect that total costs will fall in the coming quarter. Average operating costs per transaction fell, with the balance of -33% the fastest rate since June 2005 (-37%).

Spreads widened significantly (balance of +42%) and at the sharpest rate since June 2008 (+51%). Combined with the trend in costs, this contributed to a second successive quarterly rise in profitability (balance of +14%). However, profitability is expected to be flat in the coming quarter.

Contrary to expectations, numbers employed fell only slightly, with a balance of -3% the least negative since December 2007 (+13%). Employment is expected to be broadly flat again in the next three months (-2%). Staff costs as a proportion of total costs rose (+5%) for the first time since December 2007 (+23%).

Firms' capital investment plans for the next 12 months are negative, although expenditure on marketing is expected to be higher for the first time since March 2008.

Uncertainty about demand continues to rise as an obstacle for investment, with 76% citing it the greatest since September 1992 (83%). Cost of finance was mentioned by the highest proportion of firms in the survey's history (30%).

The factor firms thought most likely to prevent business expansion over the coming year was level of demand, mentioned by the largest percentage (89%) since March 2003 (93%). Competition has increased considerably as a factor, cited by the highest number (78%) since June 2007 (89%), as has statutory legislation and regulation (56% is the highest since March 2004).

Firms are becoming increasingly more confident that there will be no further deterioration in financial markets, with 58% giving it a low probability in December, up from 49% in September. However, more now think that the UK is less competitive as a financial centre (79% compared to 66% in September).

## **5. NEWS FROM "AFTERMARKET".**

<http://www.aftermarketnetwork.com>



# **MOT FAILURES**

## **Best and worst cars for MOT success revealed for first time**



THE CARS with the highest MOT failure rates have been published for the first time.

The information about MOT tests in 2007 comes after a BBC campaign to make VOSA release the data under the Freedom of Information Act.

Among 2004 registered vehicles as a whole, the Ford Transit Connect had the highest failure rate (30.5%), followed by the Renault Megane and Ford Transit.

The Toyota Corolla had the lowest failure rate at just 11.2%.

According to VOSA data for passenger cars only, the vehicles with the highest MOT failure rates – percentages shown in brackets – during 2007 testing are as follows:

Renault Megane (28.1); Vauxhall Corsa (24.7); Ford Mondeo (21.8); Renault Clio (21.2); Ford Ka (21); Peugeot 206 (20.5); MINI (20); Volkswagen Golf (19.2); Vauxhall Zafira (18.9); Vauxhall Astra (18.4); Ford Focus (18); Ford Fiesta (15.6).

VOSA had attempted to keep the data secret saying that it could be misleading and did not necessarily reflect reliability issues with the cars themselves. However, it says it will now release such data on an annual basis. VOSA believes the data is difficult to interpret because of factors involving the amount spent by owners on vehicle servicing and maintenance.

Certain cars are more likely to be used in high-mileage fleets while others may fail an MOT before being serviced to correct any faults found and then re-tested soon afterwards.

Want a copy of the data?

Full details of all MOTs conducted during 2007 weighs in at a hefty 1,200 pages. If you'd like to be sent a PDF containing every page of the data, simply email [tom@aftermarket.co.uk](mailto:tom@aftermarket.co.uk) and type 'MOT failure rates' in the subject heading.

A spokesman for VOSA confirmed it had released the MOT 'make and model failure rates' to the BBC in response to a request for information relating to 2007.

"This is the first time such information has been made available, and we believe that it will help to provide some useful insights into the need for appropriate vehicle maintenance, and also into the consequences of failing to provide such attention," she said. "There is a very large amount of data involved and it needs to be interpreted with care.

"Failure rates do not necessarily reflect on the 'reliability or longevity' of the particular make and model of car concerned – and very often say more about the owner and the way the car has been used and maintained.

"The release of this information foreshadows what VOSA will be doing with the data in the future – VOSA will be doing this routinely – on an annual basis – so that members of the public will be able to undertake their own web-based research of the statistics whenever they wish to do so."

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

<http://www.bodyshopmag.com>



FORMER PANEL BEATER Andrew Moody, who now runs the Cambridgeshire-based legal firm Retail Motor Law (RML), has had a petition on anti-steering legislation approved by the Number 10 web team.

Qualified barrister and solicitor, Andrew Moody said, 'The practice of vehicle insurers and fleet management companies 'steering' customers is widespread and it is bad for both the repair industry and consumers. I strongly urge those in the bodyshop trade and members of the public to pressure the PM to introduce anti-steering legislation by signing the petition on the Downing Street website.'

Anyone interested in signing the petition to the Prime Minister should visit <http://petitions.number10.gov.uk/Anti-Steering/>

The petition, which will stay online until January 2011, reads: 'We the undersigned petition the Prime Minister to introduce anti-steering legislation to prevent motor vehicle insurance companies and motor vehicle fleet management companies from pressurising policyholders into a vehicle accident repair centre selected by the insurance or fleet management company.'

'This legislation is needed to ensure the vehicle body repair industry remains able to trade freely and without restrictions imposed by vehicle insurance companies and motor vehicle fleet management companies. With the vehicle body repair industry widely adopting a recognised standard there is no valid reason why consumers should not be able to use a vehicle body repairer of choice providing the repairer has achieved and maintains a recognised quality standard.'

'In allowing vehicle insurers and fleet management companies to 'steer' customers the vehicle body repair industry is effectively under the control of insurers and fleet management companies. This control is detrimental to repairers through the dictation of repair methods, quality of components used, and even the supplier from whom components, paint and consumables are to be purchased. It is also detrimental to consumers as the cost of the repair rather than the quality of the repairer may ultimately lead to unsafe vehicles being used.'

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

**fleetnews.co.uk**

Supply shortages, tighter trading margins and limited retail demand will make 2010 a particularly tough year for used-car dealers, predicts Glass's Guide.

With the expected return of seasonal used-car depreciation, success will depend on a greater focus on the procurement of trade cars and a strict policy of managing ageing stock.

"Availability of stock will continue to be severely restricted in 2010, though price movements are more likely to reflect the seasonal changes seen prior to 2008," explained Adrian Rushmore, managing editor of the Guide.

## **8. HIGHLIGHTS.**



### **RETAIL MOTOR INDUSTRY FEDERATION EXTENDS RELATIONSHIP WITH LOMBARD VEHICLE MANAGEMENT**

#### **LVM Now Sole Supplier to RMIF and ReMIT**

Lombard Vehicle Management (LVM) has concluded a deal to supply the Retail Motor Industry Federation (RMI), the motor retailers' trade body, as well as its training arm Remit. LVM is the sole supplier. LVM has an ongoing deal to supply Remit with a fleet of around 40 cars, and this has now been extended to include the RMIF's fleet of around 20 further units. The cars are being run on contract hire over a three-year term. In addition LVM is providing a daily rentals service.

"Lombard has given us excellent service," says the RMI's Steve Yardley, Operations Director. "They have provided Remit with a cost-effective solution, delivered efficiently, and we are very happy to be extending the relationship."

"We are especially proud to be doing business with RMI," says LVM Managing Director Stuart Houlston. "The organisation specialises in raising quality standards, providing impartial advice and negotiating deals for its membership, so our relationship is a valuable endorsement of LVM from the heart of the motor industry."

The RMIF represents the interests of members, including franchised dealers, independent garages, motorcycle retailers, petrol forecourts, auction houses, bodyshops and MOT testing stations, in England, Wales, Northern Ireland and the Isle of Man. It has a formal relationship with the Scottish Motor Trade Association. ReMIT provides no-cost, structured apprenticeships and adult learning.

The relationship with Lombard is handled by Customer Relationship Manager Mark McLoughlin.

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## 9. E-COMMENT.



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I wish you a very Happy New Year.

I fear 2010 is going to be difficult year. But unlike 2009 where there seemed to be no end in sight I am confident we will see some headroom towards the end of the year.

Many congratulations for hanging in throughout 2009!! Sadly a number of publications and e-newsletters fell over at the end of last year but I am pleased to report AUTOMOTIVE DESKTOP goes from strength to strength in fact with a gently rising circulation. I thank every one of the substantial editorial army who make this happen.

Wherever you are in the world you will doubtless have heard the UK experienced some snow between Christmas and the New Year and into January. As always this brings the entire country to a grinding halt with talk of the wrong sort of snow and a grit famine. There are days when I despair.

In amongst all this drama my partner and I took to the road which was a very good thing to do as they were empty and popped down to the West Country. My photograph records our visit to Stourhead – a National Trust property near Warminster in Wiltshire.

Sincerely

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**AUTOMOTIVE DESKTOP 2010**

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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