



Weekly Car Dealers Newsletter

September 27, 2011

This information that follows is taken from sources including *The Carconnection*, *Autoweek*, and other industry sources.

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[UNION PACT WITH GM PUTS PRESSURE ON FORD, CHRYSLER](#)

The United Auto Workers' tentative labor pact with General Motors Co. is likely to raise pressure on Chrysler LLC and Ford Motor Co. to increase worker pay and add factory jobs. A contract reached Friday between GM and the UAW increases pay by \$2 to \$3 an hour for entry-level workers and includes a signing bonus of about \$5,000, people familiar with the deal said. Negotiations at Chrysler are expected to intensify Tuesday, when Chief Executive Sergio Marchionne returns to the bargaining table. Ford and the UAW weren't in talks over the weekend, a person familiar with discussions said. Ford wants to see terms of the GM deal before negotiating with the union, the person said.

Source: [The Wall Street Journal](#)

[TOYOTA SAYS U.S. RETAIL SALES TO RISE IN OCTOBER AFTER QUAKE](#)

Toyota Motor Corp., Asia's largest automaker, expects to start reversing a U.S. sales slide that began in May after Japan's earthquake as vehicle production rebounds and

deliveries of the new Camry sedan expand. Wholesale orders for Toyota brand cars and trucks are back to normal this month, and vehicle inventory is rising, Bob Carter, group vice president for U.S. sales, said in an interview. Gains in the final quarter of 2011 will come from Camry, increased supplies of Prius and the new Prius v wagon, a refreshed Tacoma pickup and new Scion iQ, Carter said. Toyota's incentives will be "competitive," and won't rise dramatically, he said. "We'd rather price them at a good value, as we did with Camry," Carter said. "We want to advertise them, not incentivize them." *Source: [Bloomberg](#)*

KIA MOTORS BOOGIES IT'S WAY INTO VIEW OF NEW CAR BUYERS

Since the beginning of August, Kia Motor's Buzz score—which measures consumer perception—has been steadily rising among perspective car-buyers, 18-49 years-old, a gain partially spurred on by the release of a new commercial for Kia's Soul line, featuring the company's now famous hamsters. While the ad did not appear until the end of August, it capped off a month which saw Kia's Buzz score among potential car buyers move from negative territory—implying more negative responses than positive—and into firmly positive ground.

Source: [Forbes](#)

GM, CHINESE PARTNER TO DEVELOP ELECTRIC VEHICLE

General Motors Co. and Chinese partner SAIC Motor Corp. said Tuesday they had reached a deal to develop a new electric vehicle in China. SAIC chairman Hu Maoyuan and General Motors chairman and CEO Dan Akerson signed an agreement Tuesday in Shanghai for the co-development of a new electric vehicle architecture in China. "The co-development of this new electric vehicle architecture demonstrates the broad range of benefits made possible by the strong partnership between SAIC and GM," said Tim Lee, president of GM International Operations. "This unprecedented level of cooperation is another demonstration of our companies' commitment to work collaboratively." *Source:*

[The Detroit News](#)

GM AIMS TO LOWER U.S. LABOR COSTS WITH BUYOUTS, CHEAPER HIRES

General Motors Co. will move to entice electricians and its other highest-paid U.S. hourly workers to retire so it can hire lower-wage replacements through a four-year labor agreement with the United Auto Workers. UAW President Bob King said the agreement achieves some of the union's major goals in talks with the Detroit-based automaker, which emerged from U.S.-backed bankruptcy in 2009. "This contract really shows the

auto industry is back,” King said yesterday. GM expects the union to hold ratification votes within 10 days, according to a Sept. 17 statement. Source: [Bloomberg](#)

SAAB GETS BANKRUPTCY PROTECTION

A Swedish appeals court tossed a lifeline Wednesday to cash-strapped car maker Saab, approving its application for bankruptcy protection as it waits for funding from Chinese investors. The ruling by the Court of Appeal for Western Sweden, overturning a lower court's decision, gives Saab three months to reorganize while being protected from creditors, some of whom have already filed bankruptcy petitions against the company. During the reconstruction process, which will last three months but can be extended, the Swedish government will pay Saab workers salaries. Source: [The Associated Press](#)

NISSAN, MITSUBISHI STRENGTHEN COOPERATION

Japanese automakers Nissan and Mitsubishi are strengthening their cooperation by expanding the number of models they make for each other in Japan. Nissan Motor Co. said Thursday it will provide the Fuga luxury sedan to Mitsubishi Motors Corp., starting from summer next year. They have also started talks on Mitsubishi providing the Minicab-MiEV commercial electric car to Nissan in the fiscal year that begins April 2012. "These initiatives are intended to strengthen the competitiveness of both companies in Japan," both sides said in a statement. Source: [The Associated Press](#)

FORD TAKES ON GM'S ONSTAR WITH LIVE SYNC OPERATOR

Watch out, General Motors' OnStar: Ford is starting to step on your turf with its Sync system. In an unusual move, Ford said [Wednesday] that Sync, its in-car connectivity system that works through your own smartphone or other digital device, will add a live operator capability. "This isn't just about offering customers a back-up option to the services we have already. This is about giving customers a variety of choices when it comes to how they would like to receive information," said Doug VanDagens, director of Ford's Connected Services Solutions Organization. Source: [USA Today](#)

U.S. NEW-CAR SALES EXPECTED TO IMPROVE THIS MONTH, J.D. POWER SAYS

U.S. new-car sales showed improvement in the first half of September as the recovering inventory of cars helped bring buyers back into the market, research firm J.D. Power and Associates said [Thursday]. The sales rate for September on an annual basis looks set to

reach 12.9 million vehicles, compared with the 12.1 million rate in August, according to J.D. Power, which collects data from 8,900 U.S. dealers. "Coming off a solid Labor Day sale, retail sales exhibited unexpected strength in the second week of September as the recovering inventory levels have helped to bring buyers back into the market," Jeff Schuster, executive director of global forecasting at J.D. Power, said in a statement.

Source: [Reuters](#)

RM AUCTIONS TO SELL THE WORLD'S OLDEST WORKING VEHICLE IN OCTOBER

Every weekend around the country there's an auction selling a rare automobile or piece of ephemera that is priceless to collectors. But on Oct. 7, RM Auctions will be able to say it truly has something that's one-of-a-kind.



One of the first horseless carriages, the 1884 De Dion Bouton Et Trepardoux Dos-a-Dos Steam Runabout, will be auctioned off in Hershey, Pa. RM expects the car will bring \$2 million to \$2.5 million.

The 127-year-old Runabout, named La Marquise after de Dion's mother, is certified as the oldest running car in the world.

In December 1881, de Dion was shopping in Paris and stopped at the Giroux toy shop. He was looking for prizes to give away at a ball he was planning. De Dion loved the workmanship of the steam engines he saw and asked who built them. De Dion was introduced to Georges Bouton and Charles-Armand Trepardoux, who were working at the shop making seven francs a day. He immediately hired them to build a bigger steam engine, one that could power a carriage.

After first adding a steam engine to a tricycle the pair went to work on adapting it to a four-wheeled machine. La Marquise was born.

The quadricycle sends power to the rear wheels with connecting rods, similar to a train locomotive. Steering was done through the front wheels, as opposed to the hard-to-control, rear-steer tricycle. Its sophisticated boiler can be steamed in just 45 minutes, a

small amount of time for the era. The carriage is nine feet long and weighs about 2,100 pounds. La Marquise seats four and can be driven by one, just like the modern interpretation. The only older functioning vehicle is the 1875 Greenville, according to RM, which is basically a power gun carriage. Other older vehicles sit in museums but none are likely to ever run again. In 1887, Bouton competed in the first motor-car race from Paris to Versailles and back. He won, being the only car that competed, and hit almost 40 mph on the straights, according to an observer who timed him. By that time de Dion was selling copies of the quadricycle for the princely sum of \$850.

This remaining example has been in the hands of only four owners since its inception, one of whom had the car for 81 years. It was the Pebble Beach Concours d'Elegance double award winner in 1997, and it is being offered from the estate of John O'Quinn. With the vehicle's history, provenance and its working order, La Marquise could be considered one of the most important motor cars in the world. We expect that the next owner will treat it that way.

Source: Autoweek.com
