



## ***Weekly Car Dealers Newsletter***

October 31, 2011

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

# **Week of October 31, 2011**

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**[VW LIKELY TO OVERTAKE TOYOTA AS #1 CARMAKER IN 2011, GM TO REMAIN #2](#)**  
**[REVENUE-STRAPPED STATES PULL BACK ON HYBRID AUTO TAX BREAKS](#)**  
**[NISSAN SAYS TO LAUNCH PLUG-IN HYBRID IN 2015](#)**  
**[PRICING HELPS DRIVE FORD PROFIT](#)**  
**[TOYOTA'S U.S. PLANTS MAY FEEL IMPACT FROM THAI FLOODING, EXECs WARN](#)**  
**[THAI FLOODS FORCE TOYOTA TO SUSPEND U.S. PRODUCTION](#)**  
**[VOLKSWAGEN PROFIT SURGES AS DELIVERIES OF AUDI A6, TIGUAN SUV INCREASE](#)**  
**[BUYERS WANT TRUCKS, SO FORD WILL BUILD MORE](#)**  
**[US VISA CHANGES PROPOSED](#)**  
**[GM RECALLS 2012 EQUINOX, TERRAIN FOR TIRE-PRESSURE SENSOR FIX](#)**  
**[PORSCHE UPBEAT AS PROFIT AND SALES RISE](#)**

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## **[VW LIKELY TO OVERTAKE TOYOTA AS #1 CARMAKER IN 2011, GM TO REMAIN #2](#)**

Volkswagen AG will probably become the world's biggest carmaker this year, vaulting past Toyota Motor Corp. and General Motors Co. on gains in emerging markets. VW sales in China may rise almost 20 percent in 2011 and more than double in India, according to estimates at researcher J.D. Power & Associates. Toyota may regain the lead from VW next year as the recovery of the Japanese company's facilities from the March earthquake will pave the way for the Toyota City-based automaker to sell 8.4 million cars, or half a million units more than VW, according to research firm IHS Automotive. Source: [Bloomberg](#)

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## **[REVENUE-STRAPPED STATES PULL BACK ON HYBRID AUTO TAX BREAKS](#)**

Sal Failla, who thinks of himself as a friend of the environment, said he would have liked to have bought an eco-friendly Prius. But the 50-miles-to-the-gallon, \$24,000-plus hybrid

wasn't in the 25-year-old's budget. He bought a Toyota Corolla recently, which has a manufacturer's suggested retail price range of \$16,300 to \$20,250. Exemption from New Jersey's 7% sales tax — which would have saved him \$1,680 — might have pushed him to go green with the purchase, said Failla, of Matawan, N.J. As New Jersey and other states look to get out of financial crunches, exemptions and credits aimed at putting car buyers in hybrids and high-mileage automobiles are becoming harder to find. *Source: [USA Today](#)*

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### **NISSAN SAYS TO LAUNCH PLUG-IN HYBRID IN 2015**

Nissan Motor Co will launch a plug-in hybrid vehicle developed in-house in 2015 as part of its new five-year environmental plan, Chief Executive Carlos Ghosn said on Monday. As emissions and mileage regulations grow stricter around the world, Nissan and Renault are also sharing development costs with equity partner Daimler AG, with plans to work on fuel-cell vehicles together to complement battery EVs in the zero-emission field. "When you combine the research and development budgets and the investments of these three companies you have the largest one in the industry," Ghosn told a news conference. "Nobody matches us."

*Source: [Reuters](#)*

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### **PRICING HELPS DRIVE FORD PROFIT**

Ford Motor Co. reported a 2% drop in net income in the third quarter as rising commodity-related costs and losses in its European and Asian operations offset another surge in North America. The automaker earned \$1.65 billion or 41 cents a share, compared with \$1.69 billion or 43 cents a share a year ago. Revenue rose 14% in the quarter to \$33.1 billion. "The core of the business is very strong," said Lewis Booth, Ford's chief financial officer, in an interview. "We are making relatively strong profits in a relatively weak industry." *Source: [The Wall Street Journal](#)*

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### **TOYOTA'S U.S. PLANTS MAY FEEL IMPACT FROM THAI FLOODING, EXECS WARN**

Massive flooding in Thailand is poised to hit U.S. auto output, with top Toyota executives warning that shortages of parts imported from the Southeast Asian country may interfere with production at the company's North American assembly plants. Executive Vice President Shinichi Sasaki said the company is bracing for crimped supply of such Thai-built components as audio systems, switches, diodes and condensers. Steve St. Angelo, executive vice president for North American manufacturing and engineering, confirmed separately that the company is considering canceling one day of Saturday work at four

North American plants and studying further impact on overtime shifts. A decision was expected soon, he said. *Source: [Automotive News](#) (October 27)*

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### **THAI FLOODS FORCE TOYOTA TO SUSPEND U.S. PRODUCTION**

Toyota Motor Corp. extended ongoing production cutbacks at its Japanese and Southeast Asian factories to cope with a shortage of parts from Thailand, where flooding has affected operations. Japan's largest auto maker also said work at its Thailand facilities will be halted through Nov. 5, affecting production in Japan, the U.S., Canada, South Africa, the Philippines, Vietnam and Indonesia. In North America, it is implementing a one-day stoppage, on Saturday, and halting overtime at assembly plants in Indiana, Kentucky and Ontario, Canada, along with an engine factory in West Virginia. *Source: [The Wall Street Journal](#) (October 28)*

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### **VOLKSWAGEN PROFIT SURGES AS DELIVERIES OF AUDI A6, TIGUAN SUV INCREASE**

Volkswagen AG, Europe's largest automaker, said third-quarter operating profit surged 46 percent on demand for Audi and VW brand sport-utility vehicles. Profit beat the 2.61 billion-euro average estimate of 15 analysts surveyed by Bloomberg. The shares rose the most in more than two years. Chief Executive officer Martin Winterkorn is expanding in China and the U.S. in a bid to surpass Toyota Motor Corp. as the world's biggest carmaker. The German manufacturer has a goal of boosting deliveries 11 percent this year to a record 8 million vehicles. *Source: [Bloomberg](#)*

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### **BUYERS WANT TRUCKS, SO FORD WILL BUILD MORE**

Ford Motor, which is relentlessly converting truck factories to car production, says that nevertheless, two-thirds of its planned 660,000-vehicle North American output in the fourth quarter will be trucks -- pickups, vans, SUVs. "It's demand-driven. We will produce what the customer wants, and we're seeing demand, especially for pickups," Ford CFO Lewis Booth said [Wednesday]. Ford's F-series pickups are the best-selling vehicles in the U.S. and have been for more than two decades. *Source: [USA Today](#)*

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### **US VISA CHANGES PROPOSED**

Finally, great news, the latest version of the Retirement Visa for Canadians we have been lobbying for since the fourth edition of *The Border Guide* in the mid-1990s, has returned. Over 15 years, Bob Keats personally had countless meetings with US

Senators and other political figures, immigration attorneys and Chambers of Commerce. Many readers of ***The Border Guide*** have written letters to their local politicians and Chambers of Commerce to try to get this Visa. The Retirement Visa will allow Canadians age 50+ to spend as much as 240 days annually in the US Sunbelt without worrying about immigration issues, plus they will be able to save a great deal of income tax to boot. Incredibly, we are getting some action in the US Congress and we believe since it is bipartisan, being pushed by some senior Senators, and with our having a Republican House, it has a very good chance of passing this time around. The bill, S. 1746, also proposes a homeownership visa that would allow Canadians of any age to live in the US year-round and save a bundle in income taxes too. To qualify, a Canadian would need to spend at least \$500,000 in acquiring a US home and other US residential property. Bob Keats believes this will be a superior job-creating bill than the current Jobs Bill being pushed by President Obama, at a cost to the American taxpayers of over \$500 billion. This visa bill will cost virtually nothing, yet it will be an incredible jobs creator while simultaneously helping Canadians reduce their taxes and enjoy a lower cost-of-living lifestyle in a warm climate, without snow! Although Canadians will not be able to work on the retirement or homeownership visas, these visas provide a bridge to a work visa with proper immigration planning. We are very optimistic and excited about the Retirement Visa as it has been such a long time coming. We will keep you informed as the bill works its way through the US political process to become law. We do expect it to become law within the first quarter of 2012, unless a major obstacle is thrown at it and it is delayed until after the 2012 US elections in November

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### **GM RECALLS 2012 EQUINOX, TERRAIN FOR TIRE-PRESSURE SENSOR FIX**

General Motors is recalling 33,964 [Chevy Equinox](#) and [GMC Terrain](#) crossovers from the 2012 model year to check for problems with the tire-pressure-monitoring systems. The vehicles were built from July 18 to Sept. 6, 2011.

The system is supposed to activate a warning light when the tire pressure falls more than 25 percent below the recommended inflation level. According to GM, some vehicles were programmed improperly. Underinflated tires can cause several problems, the most dangerous of which is a blowout. Fuel mileage also suffers, along with other suspension components. The fix involves updating the body-control module, free of charge. The recall is



expected to begin this month.

Owners impacted by the recall can call (800) 996-9463 or go to [www.nhtsa.gov](http://www.nhtsa.gov) for more information. *Source: Autoweek.com*

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### **PORSCHE UPBEAT AS PROFIT AND SALES RISE**

Porsche Automobile Holding SE's sports car unit Friday posted higher operating profit, revenue and vehicle sales for the first nine months, the latest sign that demand for luxury cars remains unaffected so far by economic concerns in Europe and the U.S., and said it expects a significant increase in earnings this year. "We expect revenue and operating profit to exceed last year's level significantly," the unit's chief financial officer, Lutz Meschke, said Friday in a statement.

*Source: [The Wall Street Journal](#)*