



Weekly Car Dealers Newsletter

April 25, 2011

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

Week of April 25, 2011

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MacKay's DEALER ROUNDTABLE MEETING - Coming again this year!

The annual event will be held the third week of June. This year the topics will include:

- Converting your financial statements to ASPE, the new Canadian private entity standards
- GST and HST issues, tips and traps
- Industry update
- Our annual Best Ideas session
- And More.

['CONSUMER REPORTS:' MOST WON'T BUY SMALLER CARS](#)

Most Americans -- 56% -- say their next new vehicles will be about the same size as what they drive now, not smaller, according to a new survey by *Consumer Reports* magazine. That's despite near-record fuel prices, a sluggish economic recovery that's left some people still unemployed or underemployed and a lot of attention and marketing

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push on small vehicles. In fact, another 19% say they'll upsize, often those 18 to 34 years old whose careers are rising or who need something bigger because they're starting or enlarging families. One-fourth of those surveyed said they would get smaller vehicles next time, hoping for better mileage, lower costs, improved reliability and some ecological benefits. Source: [USA Today](#)

TOYOTA MAY SHIFT U.S. SALES GOALS DUE TO JAPAN

Toyota Motor Co. may have to change its U.S. sales targets because of production slowdowns in Japan and North America, the U.S. sales chief of the world's largest automaker said on Tuesday. But the company was still watching developments in Japan closely, and more answers will emerge in the next few weeks, Toyota's Bob Carter said at the NADA/IHS Automotive Forum. Last week Carter told Toyota's U.S. dealers in a memo that the uncertainty in the supply of parts from Japan could threaten the company's output of vehicles through July.

Source: [Reuters](#)

FORD SAID TO HAVE CUT 20% OF METROPOLITAN LINCOLN DEALERSHIPS

Ford Motor Co. has cut about 20 percent of its metropolitan Lincoln dealerships in the past six months as it seeks to revive its luxury line and boost sales at the remaining stores, said a person familiar with the situation. The automaker now has about 400 Lincoln dealers in the nation's top 130 metropolitan markets, said the person, who asked not to be identified revealing internal data. Ford told Lincoln dealers in October that it planned to eliminate 175 of its 500 metro Lincoln outlets. Source: [Bloomberg](#)

GM BOOSTS OUTPUT OF THE CADILLAC CTS V6 FOR 2012

General Motors has reworked the 3.6-liter V6 engine used in the CTS for the 2012 model year, boosting output while maintaining the fuel-economy ratings of the less-powerful V6 from 2011. The 2012 version of the V6 delivers 318 hp and 275 lb-ft of torque. That compares with 304 hp and 273 lb-ft for the 2011 version. Fuel economy remains at 18 mpg city and 27 mpg highway.



The major changes include larger intake valves and a revised intake port design for better engine breathing. A longer duration for the intake cam lets more air flow into each cylinder.

GM shaved about 21 pounds off the engine by switching from aluminum to a plastic intake manifold, adopting an integrated cylinder head and exhaust manifold design, and using lighter-weight connecting rods and structural front cover.

Other changes to the 2012 Cadillac CTS include a Touring package that offers dark finish for the grille, larger wheels and tires, metal pedals, dark wood interior trim and a suede-covered wheel and shifter. The Touring package is available with the 3.0-liter and 3.6-liter V6 engines.

Additionally, the CTS sedan and wagon get chrome door handles with the Touring package. Cars with the 3.6-liter V6 will have 19-inch polished wheels and Recaro 14-way adjustable performance seats. The 3.0-liter version will have 18-inch wheels with a pearl-nickel finish. Source: Autoweek.com

[NISSAN TO INCREASE NORTH AMERICAN PRODUCTION](#)

NEW YORK — Nissan Motor Co. said today it will build an Infiniti in Tennessee as it ramps up production in North America by 2015 and offers more customers a chance to buy a Leaf. The Japanese automaker said today at the New York International Auto Show it will up production in North America to more than 85 percent of vehicles sold by 2015, up from 69 percent today. The move will boost production from 1.1 million vehicles in 2010 to more than 1.7 million. "With today's announcements, we remain on track to localize our manufacturing base around the world — especially in the Americas. This drive for balance and flexibility across our operations is essential to support our growth plans in the region," said Carlos Tavares, chairman, Nissan Americas. Nissan also said it will offer some new U.S. customers a chance to buy an all-electric Leaf. Nissan expects to sell more than 10,000 Leafs in the United States this year. Source: [The Detroit News](#)

[GOOGLE TO HELP U.S. FIND ELECTRIC-VEHICLE CHARGING STATIONS](#)

The Obama administration announced two efforts today to boost electric vehicles, including a partnership with search engine giant Google. Energy Secretary Steven Chu said the department's National Renewable Energy Laboratory is joining with Google to provide consumers with consistent, up-to-date information about electric vehicle charging stations in communities nationwide. The effort will use Google Maps to coordinate an

online network of all U.S. charging stations and will serve as the primary data source for GPS and mapping services tracking electric vehicle charging locations. Chu also today announced the agency is awarding \$5 million in new funding for community-based efforts to deploy electric vehicle infrastructure and charging stations. *Source:* [The Detroit News](#)

FIAT TO PAY \$1.27 BILLION FOR 16% OF CHRYSLER

Fiat S.p.A. has agreed to pay \$1.27 billion for another 16 percent stake in U.S. carmaker Chrysler Group LLC this quarter, the Italian automaker said on Thursday, in a deal that was faster and cheaper than expected. Fiat has reached agreement with Chrysler and its other shareholders to exercise an option to buy the 16 percent stake in the second quarter, it said in a statement. Fiat received an additional 5 percent in Chrysler from the U.S. government last week, giving it a 30 percent holding, by reaching targets that included Fiat executing franchise agreements with 90 percent of its dealers in Latin America to carry Chrysler products. Fiat agreed with the U.S. government after Chrysler emerged from bankruptcy in 2009 to share technology and management in exchange for an initial 20 percent stake and performance goals to increase to 35 percent without paying any cash. *Source:* [Automotive News Europe](#)

AUTOMAKERS' EYES ON FUEL EFFICIENCY

They pump up small cars, 'eco' versions

NEW YORK — With \$5-a-gallon gas on the horizon, automakers unveiled fuel efficient models Wednesday at the New York International Auto Show with the hopes of luring budget-minded consumers to showrooms. Honda, Subaru, Nissan, Kia and Hyundai all introduced more fuel efficient compact and subcompact models. Several of the new models are 20 or 30 percent more fuel efficient than previous versions — with new engines and less weight. Automakers also are upgrading smaller cars with more leg room, nicer interiors and more safety features to attract buyers who are choosing a small car because they want it — not just because it's less expensive. Although gas prices have been rising at the pump — now averaging \$3.84 a gallon nationwide, up from \$2.85 a year ago, according to AAA — executives like Ford Motor Co.'s Americas chief, Mark Fields, and AutoNation CEO Mike Jackson don't think high prices will sink industry sales. Instead, they'll shift buyers to more fuel efficient vehicles. *Source:* [The Detroit News](#)

SUBARU STEERS TO BIGGER NICHE***Auto maker pursues southern market sales with roomier, fuel-efficient cars***

For the last few years, one of the smallest but fastest growing auto brands in the U.S. has been Subaru, the Japanese maker of all-wheel drive cars that have sold well in Vermont and a handful of other snowy states. Now, Subaru is taking aim at the sunny South, where few shoppers see a need for all-wheel drive traction, in a bid to break out of its niche market. A new marketing campaign touts its vehicles improved mileage and emphasizes the safety of their all-wheel drive. Subaru's best bet of shedding its wintery-weather reputation is a redesigned version of its Impreza sedan, being introduced to U.S. auto buyers this week at the New York International Auto Show. The 2012 model, which goes on sale this summer is much sleeker than the older version and is rated at 37 highway miles a gallon of gas, up from last year's 27 mpg. "The biggest issue we had was them advertising snow and all-wheel-drive in Houston. That really didn't help us," said Wally Elostaz, general manager of Gillman Subaru Southwest, a Houston dealership. Source: [The Wall Street Journal](#)
