



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

May 30, 2011

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

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[TOYOTA TO SET UP SOCIAL NETWORKING SERVICE](#)  
[NEW COMPACT CARS ARE FLYING OFF DEALER LOTS, STUDIES FIND](#)  
[VW READY TO BUILD AUTOS IN U.S. AGAIN](#)  
[FIAT PLOTS CONTROLLING CHRYSLER STAKE](#)  
[NEW M.P.G. STICKERS INCLUDE GREENHOUSE GAS DATA](#)  
[SMALL CARS EARNING BETTER MARKS IN CRASH SAFETY RATINGS](#)  
[HONDA TO RESUME FULL NORTH AMERICAN AUTO PRODUCTION IN AUGUST](#)  
[KYLE BUSCH EARNS SPEEDING TICKET IN LEXUS LFA](#)  
[STRUGGLING AUTOMAKER SAAB RESTARTS PRODUCTION](#)  
[VEHICLE, PARTS SHORTAGES A REALITY](#)

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### **TOYOTA TO SET UP SOCIAL NETWORKING SERVICE**

TOKYO – Toyota is setting up a social networking service with the help of a U.S. Internet company and Microsoft so drivers can interact with their cars in ways similar to Twitter and Facebook. Japanese automaker Toyota Motor Corp. and Salesforce.com, based in San Francisco, announced their alliance Monday to launch "Toyota Friend," a private social network for Toyota owners that works similar to tweets on Twitter. If your car is up for an inspection, for example, the owner will be notified through "Toyota Friend," which will in turn automatically link to a dealer to set up an appointment. *Source: The Associated Press*

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### **NEW COMPACT CARS ARE FLYING OFF DEALER LOTS, STUDIES FIND**

Compact cars are flying out of dealerships compared with this time a year ago as buyers snap up appealing new models and respond to higher fuel prices. Some of the days-to-turn champs right now include the Chevy Cruze, which is selling in just 32 days; Ford

Focus, 54 days; Volkswagen Jetta, 40 days, and the Hyundai Elantra, which barely has time to get dusty in its average 12 days at the dealership, according to AutoObserver.com. "The numbers are very telling," AutoObserver analyst and senior editor Bill Visnic said. "The shift to smaller cars is real." *Source: Detroit Free Press*

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### **VW READY TO BUILD AUTOS IN U.S. AGAIN**

#### ***German automaker aims for bigger share of American market***

Chattanooga, Tenn.— Volkswagen AG officially opens a \$1 billion assembly plant here today, restoring a manufacturing presence in the United States after 23 years, as part of its plan to become the world's leading automaker by the end of the decade. "Volkswagen's Chattanooga Operations LLC is the linchpin in the company's plot to triple U.S. sales to 800,000 vehicles in 2018," said Bill Visnic, senior analyst at online auto research firm Edmunds.com. *Source: The Detroit News*

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### **FIAT PLOTS CONTROLLING CHRYSLER STAKE**

Italian auto maker Fiat SpA is mulling a plan to quickly take a majority stake in Chrysler Group LLC by purchasing shares from the U.S. Treasury and a United Auto Workers health trust fund, people familiar with the matter said. A purchase could come within the next few months, these people said, moving up the timetable for majority control. Fiat already owns a 46% stake and has been expected to gain an additional 5% when the Detroit auto maker late this year begins production of a car that gets 40 miles on a gallon of gasoline. *Source: The Wall Street Journal*

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### **NEW M.P.G. STICKERS INCLUDE GREENHOUSE GAS DATA**

#### **(Similar Canadian changes are coming)**

WASHINGTON — The federal government unveiled new fuel economy window stickers on Wednesday for vehicles starting with the 2013 model year that for the first time include estimated annual fuel costs and the car or truck's overall environmental impact. The Environmental Protection Agency and the Department of Transportation, which are jointly responsible for the window sticker program, rejected a radically different design that would have prominently displayed a letter grade from A to F comparing a given vehicle's fuel economy and air pollution against the entire fleet of new cars. The National Automobile Dealers Association welcomed the new design and said it was relieved that the federal government had rejected the letter grade label. "For decades, car and truck

buyers have relied on miles per gallon — or m.p.g. — to compare the fuel economy of different vehicles,” the association said in a statement. “NADA applauds the Obama administration’s decision to drop the ill-advised ‘letter grade’ in favor of one that prominently displays a vehicle’s m.p.g. By doing so, car shoppers can make informed comparisons on dealers’ lots, allowing them to take advantage of new technologies, which will ultimately put more fuel efficient vehicles on the road.” Source: *The New York Times*

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### **SMALL CARS EARNING BETTER MARKS IN CRASH SAFETY RATINGS**

Once derided as unsafe "tin cans" or "econoboxes," small cars are getting a lot safer. The Insurance Institute for Highway Safety says six of 13 small cars recently tested won its "Top Safety Pick" award — and none earned a "poor" rating in any of four tests. The top picks include the 2012 Ford Focus and Honda Civic, and the 2011 Hyundai Elantra, Lexus CT 200h hybrid, Nissan Juke and Toyota Prius. "The list of cars with the best fuel economy now includes those with the highest crash test ratings in their class, too," said David Zuby, the institute's chief research officer. "At a time of high gasoline prices, consumers have never had a bigger selection of small cars that earn Top Safety Pick." Source: *The Detroit News*

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### **HONDA TO RESUME FULL NORTH AMERICAN AUTO PRODUCTION IN AUGUST**

DAYTON, Ohio -- Honda Motor Co. will return its North American auto production to normal levels for all but one vehicle in August, faster than the company expected, the company said in a statement Thursday. Honda, Toyota Motor Corp. and Nissan Motor Co. have all limited their production this year because of the massive March 11 earthquake that damaged dozens of parts suppliers, particularly electronics makers. Unfortunately for Honda, the lone car built in North America that won't return to full production in August is the redesigned Civic. Production of the vehicle will remain at 50% of projected volume because of limited supplies of parts and return to normal sometime in the fall, the company said. Source: *The Wall Street Journal*

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### **KYLE BUSCH EARNS SPEEDING TICKET IN LEXUS LFA**

NASCAR star Kyle Busch was ticketed on Tuesday afternoon for careless and reckless driving after a police officer reportedly clocked him at 128 mph in a 45-mph zone in Iredell County, N.C.

The officer stopped Busch, who was driving a yellow Lexus LFA sports car, between Troutman and Mooresville, N.C. Busch lives in Iredell County. His wife, Samantha, was a passenger.

Kyle Busch issued this statement on Tuesday: "Today, I received a traffic citation in Iredell County. I was test-driving a new sports car and I got carried away. I went beyond the speed I should have been going on a public road. I apologize to the public, my fans, sponsors and race teams for my lack of judgment. I take responsibility for my actions and I can assure you that something like this will never happen again. I thank the Iredell County Sheriff's Department and all law enforcement for the hard work they do every day to protect the public and to enforce the laws in a fair and equitable manner."

It's not likely that the incident will draw action from NASCAR, which recently fined Busch \$25,000 and put him on probation for four races after he argues with Kevin Harvick on pit road after the Sprint Cup race at Darlington. The probation applied to the recent races at Dover and Charlotte, and includes this weekend's 600-mile Cup race at Charlotte and the June 5 race in Kansas. "This is a matter Kyle will have to handle with the authorities in Iredell County," NASCAR spokesman Kerry Tharp said. "Based on what we know right now, this would not impact his status as a NASCAR driver." *Source: Speedtv.com*

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### **STRUGGLING AUTOMAKER SAAB RESTARTS PRODUCTION**

STOCKHOLM -- Spyker Cars NV's cash-strapped Swedish unit Saab Automobile on Friday resumed car production after a near seven-week standstill caused largely by payment problems to its suppliers. The long-awaited resumption came after Chinese group Pang Da last week agreed to buy a 24 percent stake in Spyker for euro65 million (\$92 million). It also made a euro30 million upfront payment for 1,300 Saab cars. Spyker CEO Victor Muller, who is also the chief executive and chairman of Saab, called the startup "a great day" for the Swedish company. *Source: The Associated Press*

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### **VEHICLE, PARTS SHORTAGES A REALITY**

#### ***Fallout from quake, tsunami could extend into repair parts availability***

The earthquake and tsunami that hit Japan on March 11, along with the failure of several key nuclear power facilities in that country, have had a tremendous impact on the automotive industry. But while most of the attention in the auto sector has been on the impact of the disaster on new vehicle production, the dealership repair center may be the next to feel the effects. On March 29, Toyota announced that it was limiting repair parts

sent out to dealers to just those components that were considered critical. "It makes sense to do that, but it also suggests that they don't have an unlimited supply of parts," says Paul Taylor, chief economist at the National Automobile Dealers Association (NADA). Source: *Aftermarket Business World*

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