



Weekly Car Dealers Newsletter

December 22, 2009

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

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[RETAIL SALES IN U.S EXCEEDED FORECASTS IN NOVEMBER](#)

Sales at U.S. retailers rose more than forecast in November, a sign consumer spending is gathering speed heading into 2010. The 1.3 percent increase followed a 1.1 percent gain the prior month that was smaller than previously estimated, Commerce Department figures showed today in Washington. Auto sales are climbing back after plunging in September, the month after the government's "cash-for-clunkers" plan expired. Purchases at car dealers increased 1.6, after jumping 7.1 percent in October. *Source: Bloomberg*

BRABUS TUNES MERCEDES-BENZ GLK

Yes, this is the same Mercedes-Benz GLK that broke cover in New York during the *Sex and the City* movie, but we guarantee Carrie, Sam, Miranda and Charlotte wouldn't be caught dead in it.

That's because German tuner Brabus took the standard Mercedes GLK--and made it into a 200-mph freight train.

The go-fast guys started by wedging a Mercedes-sourced, twin-turbo V12 into the GLK's engine bay. The new mill produces 750 horsepower at 5,500 rpm and a gravity-bending 811 lb-ft of torque. This will get you to 62 mph in 4.2 seconds and up to 125 mph in about eight more.



After that, the tuners added signature Brabus Widestar front and rear clips. The Widestar, which was developed by Brabus in the wind tunnel, gets gaping vents in front for radiator and brake cooling. That, plus the carbon fiber spoiler lip, minimizes aerodynamic lift on the front end.

The rear of the kit features exhaust cut-outs for the custom Brabus sport exhaust and a centrally located reflector. A roof spoiler is also added. Fender flares with courtesy LED lights adorn the sides.

Brabus is a full-service tuner. It offers five choices of wheels, up to size 22, interior upgrades with wood or carbon fiber, and tailored consoles for the backs of the seats. It also added an adjustable coil-over sport suspension for stability at speed.

This is an exclusive vehicle, to say the least. The Brabus GLK V12 starts at about \$580,000. Yes, you can buy *two* Ferrari 458 Italias for that. But you can't fit 50 boxes of shoes in a Ferrari. *Source: Autoweek.com*

SOME CLOSED GM & CHRYSLER DEALERS COULD GET A REPRIEVE **(December 14/09)**

Hundreds of General Motors and Chrysler dealers will be able to seek arbitration about the loss of their franchises under the spending bill that's going to President Obama's desk. The \$1.1 trillion funding measure includes provisions that create an arbitration process that could result in some of the dealerships allowing to stay open. The National Automobile Dealers Association fought for what it calls the "dealers rights" provision while the two troubled automakers fought it. "As with any compromise, this is not a perfect solution. However, this is far better than any of the previous proposals," the association said in a statement. *Source: [USA TODAY](#)*

CEO: GM TO REPAY GOVERNMENT LOANS BY END OF JUNE

General Motors chairman and CEO says GM plans to repay all of its \$6.7 billion in government loans by the end of June. Ed Whitacre Jr. says the company plans to make quarterly installments starting this month with a \$1.2 billion payment. He says it could repay sooner but that hasn't been decided. In addition to the loans, GM has received \$45.3 billion in aid from the government which was converted into an equity stake. *Source: [The Associated Press](#)*

SPYKER SAID TO LEAD SAAB BIDS AS BEIJING BUYS ASSETS
(December 15/09)

General Motors Co. has adjusted its plan for Saab to focus on selling the Swedish unit, with Spyker Cars NV emerging as a frontrunner, according to people familiar with the situation. Spyker, the Dutch maker of \$235,000 sports cars, was negotiating details of an agreement with GM over the weekend in Zurich... GM separately reached a deal to sell some technologies for Saab's 9-3 and 9-5 models to Beijing Automotive Industry Holding Co., the Chinese company said (Monday). Source: [Bloomberg](#)

SWEENEY TAPPED TO HEAD BUICK GMC

General Motors Co. has tapped Buick-GMC general sales manager Brian Sweeney as the new head of the brands, replacing Michael Richards who resigned last week after nine days on the job, according to sources. Sweeney has been the interim chief since Richards' departure. The appointment, expected to be announced today, solidifies management ranks upended last week by the surprise retirement of Chevrolet Vice President Brent Dewar and Richard's resignation. Source: [The Detroit News](#)

OBAMA'S SIGNATURE STARTS ARBITRATION PROCESS
(December 17/09)

WASHINGTON -- President Barack Obama signed legislation that would give rejected General Motors Co. and Chrysler Group dealers access to neutral arbitration if they want to be reinstated, kicking off a six-and-a-half months arbitration process. GM and Chrysler now have 30 days to send letters to the owners of about 2,150 rejected dealerships informing them of their rights under the new law and spelling out the reasons that their franchise agreements were terminated. With Obama's signature, the eliminated dealerships have 40 days to give notice that they intend to seek arbitration. Arbitration must be completed within six months, and dealerships that win must receive a letter of intent from the automakers within another 14 business days. Source: [Automotive News](#)

MAZDA MAY FOLLOW SUZUKI, MITSUBISHI WITH ALLIANCE

Mazda Motor Corp. may be the next Japanese carmaker to strike an alliance following plans by Suzuki Motor Corp. and Mitsubishi Motors Corp. to team up with overseas manufacturers, investors and analysts say. The companies are seeking to share costs for developing new models with the latest technology. Mazda may need to do the same as its 40-year-old ties to Ford Motor Co. weaken. "Carmakers like Mazda with annual sales of about only a million units need to be exploring partnerships to survive," said Yoshiaki Kawano, an analyst in Tokyo at auto consulting company CSM Worldwide. As the demand for hybrid, electric and other next-generation cars increases, carmakers find it too expensive to develop the technology alone, Kawano said. That partly explains why Hamamatsu-based Suzuki last week agreed to sell a 19.9 percent stake to Wolfsburg, Germany-based Volkswagen. France's PSA Peugeot Citroen and Mitsubishi Motors are discussing deepening a partnership that would include an equity investment. Source: [Bloomberg](#)

GM IN BETTER SHAPE THAN U.S. EXPECTED, OBAMA AIDE SAYS

General Motors Co. is finishing the year in a slightly stronger position than U.S. government officials expected and is on track to return to the stock markets in the second half of 2010, the Obama administration's top auto adviser said Thursday. The adviser, Ron Bloom, also said Chrysler Group LLC, despite losing market share, is also exceeding the administration's expectations, largely by rebuilding cash reserves, and that early signs point to a turnaround of the U.S. car industry. "The industry remains challenged but is in slow recovery," Mr. Bloom said in an interview at the Treasury Department. "It's coming back slowly, but it's coming back."

Source: [The Wall Street Journal](#)

GM WILL SHUTTER SAAB AFTER TALKS COLLAPSE **(December 18/09)**

General Motors Co. will shut down its Saab brand after announcing today that it could not conclude a deal to sell the Swedish automaker. GM Chairman and interim CEO Ed Whitacre warned earlier this week that it may close Saab. Spyker Cars N.V. was the possible buyer.

Source: [The Detroit News](#)

FORD, GEELY SAID TO MAKE PROGRESS TOWARD VOLVO SALE

Ford Motor Co. is making progress toward a sale of its Volvo unit to Zhejiang Geely Holding Group Co. as they resolve issues such as protection of intellectual property... Directors of Dearborn, Michigan-based Ford were recently briefed on progress toward completing the sale to China's Geely... Ford named Geely as its "preferred bidder" on Oct. 28. "We're working with Geely toward an agreement that is in the best interests of all parties," John Gardiner, a spokesman for Ford, said in a telephone interview. "No final decision has been made." Other suitors are still interested in the Swedish premium brand known for passenger safety.

Source: [Bloomberg](#)
