



Weekly Car Dealers Newsletter

September 8, 2009

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

Week of September 7, 2009

[GM SEES RISE IN 2010 INDUSTRY SALES TO 12.1 MILLION](#)
[DOWNTURN HAS PAID DIVIDENDS FOR HYUNDAI](#)
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10 GREAT AND SAFE RIDES FOR TEENS

[GM SEES RISE IN 2010 INDUSTRY SALES TO 12.1 MILLION](#)

General Motors Co., the largest U.S. automaker, said it expects the industry's sales to rise 15 percent to 12.1 million next year as government stimulus programs help restore consumer confidence. GM forecasts U.S. deliveries of 10.5 million this year before the increase, Brent Dewar, head of the Chevrolet brand, told reporters [Friday] in Novi, Michigan. "All of the global stimulus programs have had the impact of moving inventory and building consumer confidence," Dewar said. Source: [Bloomberg](#)

[DOWNTURN HAS PAID DIVIDENDS FOR HYUNDAI](#)

Once-Maligned Carmaker Sells Value as Rivals Falter

The recession precipitated one of the most tumultuous years ever for the U.S. auto business, but to Hyundai, it may have presented the perfect opportunity. [Today], when car companies announce their latest sales figures, the South Korean automaker that was once an industry laughingstock will announce its best retail month ever and that, despite the vast shrinkage of the U.S. market, it expects this year's sales to exceed last year's. "Value-focused brands tend to do better than premium brands during difficult economic times, and that's played to our natural strength," said John Krafcik, Hyundai's president in North America. While the company is far from dominating the American market, the U.S. share of Hyundai-branded vehicles climbed

from 3.6 percent last July to 4.6 percent this July. Globally, the Hyundai-Kia Automotive Group has jumped to fourth in sales, climbing ahead of Ford this year. *Source: [The Washington Post](#)*

CLUNKERS – The two articles below indicate the good news is not always good news

[Dealers Reimbursed for 5.7% of Clunker Claims, Surveys Show](#)

WASHINGTON -- Dealers in four states have been reimbursed by the government for 5.7 percent of their cash-for-clunkers transactions, the latest dealer association surveys show. Polls in North Carolina, Virginia, Louisiana and Alabama last week found that dealers had been reimbursed for 2,701 of the 47,693 transactions submitted for rebates. "It's like watching paint dry," said Donald Hall, president of the Virginia Automobile Dealers Association, which conducted one survey. "The government doesn't see the sense of urgency in paying money back to dealers." The results show only incremental increases in dealer payments over previous weeks despite a surge in the number of employees who are processing dealer applications. In North Carolina, reimbursement was made on 6.6 percent of deals as of Aug. 26, up from 1.7 percent two weeks earlier. "The results are significantly better but still horribly dismal," said Robert Glaser, president of the North Carolina Automobile Dealers Association, which conducted the survey. *Source: [Automotive News](#)*

[Government Begins Random Dealership Audits on Clunkers](#)

Dealer groups annoyed as reimbursements lag

WASHINGTON -- The federal government is starting to make random, unannounced visits to dealerships to audit their compliance with the cash-for-clunkers rules, dealer associations said. The \$3 billion cash-for-clunkers program had detailed requirements aimed at ensuring that the engines of trade-ins were destroyed rather than resold. NADA e-mailed members [Monday] advising them of possible spot audits by the federal agency. "Please make sure that all transaction paperwork and trade-in vehicles are in order," the message said. Some dealer representatives took issue today with the timing of the audits. "The government seems to be more interested in auditing early on rather than paying early on," said Donald Hall, president of the Virginia Automobile Dealers Association. *Source: [Automotive News](#)*

[SAAB PURSUERS SAY THEY HAVE THE MONEY](#)

Swedish investors aiming to buy automaker Saab from General Motors Co. have funds to complete the purchase, a source close to the deal said. [A] Swedish news agency ... reported Wednesday that the Koenigsegg Group had found new investors and that GM would finance \$412 million to complete the deal. "Koenigsegg Group no longer needs additional financing from the Swedish state due to securing financing with the help of GM and new investors," the source said. *Source: [United Press International](#)*

10 GREAT AND SAFE RIDES FOR TEENS

Thinking about what's the best car for your teen when he or she faces the real world of driving? Here are some suggestions:

Dodge Caliber

BASE PRICE: \$17,090 (all prices in US\$)

With five-star front- and side-crash ratings from the National Highway Traffic Safety Administration and a hatchback body, the Caliber is among the safest and most flexible small cars on the market.



Ford Focus

Ford Focus

BASE PRICE: \$16,690

The car is long in the tooth, but Ford's continuous refinement of the Focus yields a reliable and still fun-to-drive car with respectable crash-safety results.

 **ZOOM** [A picture of red ford focus](#)



Honda Civic

Honda Civic

BASE PRICE: \$16,015

A smooth drivetrain that's historically reliable. Also, consider the good build quality and that it's an Insurance Institute for Highway Safety top safety pick, and you have an ideal first car.

 **ZOOM** [A picture of silver honda civic](#)




VW Rabbit

Volkswagen Rabbit

BASE PRICE: \$17,000

A superb chassis and an interior that looks more expensive than it is set the Rabbit apart. High safety marks in crash tests and being an IIHS top pick are also pluses.

 **ZOOM** [A picture of red VW Rabbit](#)



Kia Soul

Kia Soul

BASE PRICE: \$13,995

If the cute hamster commercials aren't enough to sell this stylish box, then news of the Soul being one of the latest cars to gain the IIHS's top safety accolades should help.

 **ZOOM** [A picture of white kia soul](#)



Mazda 3

ZOOM [A picture of silver mazda 3](#)

Mazda 3

BASE PRICE: \$15,795

With the 3 receiving a redo for 2010, the car returns with the same sporty driving DNA and sleeker styling. And it receives high NHTSA crash ratings.

Pontiac Vibe

Pontiac Vibe

ZOOM [A picture of silver pontiac vibe](#)

BASE PRICE: \$16,820

The last Pontiac to be sold in the United States is safe (five-star frontal-crash ratings), spacious, efficient (26 city/32 highway mpg) and available with all-wheel drive.

2003-08 Mazda 6

Used Mazda 6

ZOOM [A picture of purple mazda 6](#)

AVERAGE PRICE RANGE: \$6,500-\$15,000

Besides being a fun-driving midsize sedan, the first-generation Mazda 6 is sized right and received five-star front-crash ratings.

2003-07 Honda Accord

Used Honda Accord

ZOOM [A picture of beige honda accord](#)

AVERAGE PRICE RANGE: \$7,600-\$12,700

We've never had anyone come back disappointed after we recommended an Accord. It has almost all five-star crash ratings across the board.

1979-81 Mercedes-Benz 300TD

AVERAGE PRICE RANGE: \$6,000-\$14,000

Nothing will make you cooler and keep you safer than a vintage Mercedes wagon.

Source: *Autowek.com*