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CONSUMER CONFIDENCE UP AS THE NEW YEAR BEGINS. Consumer confidence in the U.S. rose in December for the first time in six months, reports the New York-based Conference Board.

The good news comes as Commerce Dept. figures point to signs of reviving manufacturing activity, at least outside the defense and transportation sectors. Unemployment claims are still rising, but at a slower rate than many analysts expected. The signs don't say the recession is over, but they do suggest it won't get worse.

0% FINANCING: EXPIRE OR EXTEND? This week will show whether automakers are ready to drop their 0% retail financing offers and return to more conventional ways to juice sales.

The program at General Motors, which started the stampede in mid-September, is supposed to end today. Similar offers at DaimlerChrysler and Ford are scheduled to expire on Jan. 8 and Jan. 14, respectively.

The ruinously expensive offers began to lose their punch in mid-November. But the first Big Three automaker to blink knows the other two may extend their 0% deals, albeit in more limited scope, in a bid to squeeze out a few more sales. GM has gained the most to date.

OPEC CUTS OIL PRODUCTION 6%... As expected, the Organization of the Petroleum Exporting Countries greeted the new year by reducing its daily output of crude oil by 1.5 million barrel at least through June.

OPEC's 10 members went ahead with the cut after five non-cartel members agreed to reduce their own daily oil production by only 463,000 barrels, or 7.5% short of the 500,000 barrels OPEC wanted.

In the end, the cartel figured the cuts were close enough to bolster its attempt to stabilize crude oil prices above $20 per barrel. Oil prices had slumped below $18. U.S. fuel prices began rising even before OPEC's action (see next item), but experts figure the cuts won't begin to influence gasoline prices until spring.

Or maybe not. Russia, the largest non-OPEC oil producer, agreed to reduce its output for only three months, thus casting doubt upon the cartel's ability to control market prices for long. The U.S., second only to Russia in output among non-cartel producers, isn't participating in the manipulations.

...AS FUEL PRICES INCH UPWARD. Average gasoline prices stopped falling in the U.S. and began inching upward slightly in late December, due more to the impending holidays than to the price of crude oil. They were just under $1.11 per gallon yesterday, about three cents higher than they were just before the Christmas-New Year holiday began, according to the American Automobile Association.

TOWER AUTOMOTIVE TO CUT 700 JOBS. Tower Automotive plans to eliminate about 700 salaried and hourly jobs this year, phase out stamping operations in Milwaukee and take a restructuring charge of $289 million in the fourth quarter of 2001.

The plan includes layoffs at U.S. and Canadian production facilities and consolidation of technical and administrative activities in Grand Rapids and Novi, Mich. Tower expects to decide by March whether to shut down stamping operations in Milwaukee. That facility will continue to assemble frames for pickup trucks.

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FORD NAMES NEW LEADERSHIP IN U.K. Roger Putnam, formerly sales and marketing director at Jaguar, will become the next chairman of Ford's U.K unit on March 1. Paul Thomas, currently sales director for the U.K. unit, becomes managing director at the same time.

Both positions currently are held by Ian McAllister, who is leaving after 38 years to set up a nonprofit company to run the British railway system. Ford says it is splitting McAllister's duties because of recent "additional demands" on the chairman's role.

AVALANCHE NAMED MOTOR TREND TRUCK OF THE YEAR. *Motor Trend* magazine has named the Chevrolet Avalanche its 2002 Truck of the Year. The magazine cited the pickup truck's powertrain, on-road handling, off-road performance in four-wheel drive and removable "midgate" that separates the passenger compartment and cargo bed.

The Avalanche also is a contender for North American Truck of the Year, an award to be announced Sunday during media activities preceding the North American International Auto Show in Detroit.

CATERPILLAR DROPPING 420 U.S. JOBS. Caterpillar Inc. will trim 420 jobs in the U.S. by the end of the second quarter, primarily through an early retirement program at several locations. The Peoria, Ill.,-based maker of earth-moving equipment will take a $55 million charge in the final quarter of 2001 to pay for the cuts.

Caterpillar previously announced it would eliminate 520 positions over the same period by closing an engine plant in Shrewsbury, U.K.

ECHOSTAR SWEETENS HUGHES PURCHASE PLAN. To help win regulatory approval of its $33 billion bid to buy Hughes Electronics from General Motors, EchoStar Communications is offering to invest $1 billion in Spaceway, a high-speed Internet access network Hughes is trying to develop.

Hughes has been struggling to launch Spaceway for more than six years with little result. The system would use up to 17 satellites and currently unused portions of the Ku-band broadcast spectrum to provide very high-speed Internet links worldwide.

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Regulators are skeptical about EchoStar's plan to merge its Dish network and Hughes' DirecTV service, because it would leave the U.S. with only one direct-to-home satellite choice. EchoStar says the merged companies would be better-equipped to battle their real competition, the cable TV industry—especially if they can offer wireless Internet connectivity.

GM BUYS A STAKE IN LUTZ's ULTRA-LUXURY CAR COMPANY. General Motors will invest up to $2 million for a 16% share of Cunningham Motor Co., the company co-founded by Bob Lutz two years ago.

Cunningham Motor, which unveiled a prototype of its C7 Grand Touring car during the Detroit auto show last year, hopes to sell up to 600 of the swoopy cars for $250,000 each by 2004.

The self-proclaimed virtual company plans to farm out development, engineering and production of the cars to Roush Industries in Livonia, Mich. Lutz, currently chairman of GM North America, will remain on the Cunningham Motor board but have no involvement in decisions involving GM.

FREIGHTLINER COMBINES OPERATIONS. The Freightliner heavy truck unit of DaimlerChrysler will spend much of this year merging the manufacturing and purchasing functions of its Freightliner, Sterling and Western Star truck brands. It also plans to centralize dealer and finance operations.

The Portland, Ore.-based Freightliner unit, expected to report a loss of $1.2 billion in 2001, is trying to break

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even this year and achieve sustainable profitability by 2004. It will close up to three plants, cut operating costs $850 million and slash purchases by $370 million. The company already has cut its workforce by almost 50%.

KELLEHER TO CEO AT HYUNDAI AUTO CANADA. Steve Kelleher, currently vice president of sales, marketing, parts and service for Hyundai Auto Canada, takes over as the company's president and CEO today. A 15-year veteran with Hyundai, Kelleher succeeds Jong Hoon Lee, who left Hyundai for Kia Motors America.

DAEWOO SALE TO GM DUE IN THREE WEEKS. A final contract under which General Motors will buy parts of Korea's bankrupt Daewoo Motor Co. should be ready to sign by Jan. 20. So says the Korea Development Bank, Daewoo's lead creditor.

The deal will enable GM to buy two Daewoo auto plants in Korea and one each in Egypt and Vietnam for about $400 million.

A final agreement had been expected in December. It has been held up by several issues, the largest being the need to win the consent of Daewoo's militant labor union. The union wants stronger assurances that GM will support employment at Daewoo's huge Pupyong plant, a facility not included on GM's selective shopping list.

Daewoo, meanwhile, says its sales in December rose 12% over year-ago levels, when domestic and export sales plunged roughly one-third and two-thirds, respectively, after the company went into receivership. According to a report by Korea's Yonhap News Service, Daewoo projects its sale to GM will lead to a five-fold jump in its pretax earnings, to about $76 million, by the end of 2002.

GOODYEAR SHEDS ITS SPECIALTY CHEMICAL BUSINESS. Goodyear Tire & Rubber Co. has sold its French-based specialty chemical business to Littlejohn & Co., a private equity firm in Greenwich, Conn. Assets include plants in Akron, Ohio, and La Havre and Orsay, France.

Goodyear's $120 million specialty chemical business made resins and additives for rubbers and plastics. The sale, intended to help Goodyear cut debt and focus on core operations, does not affect the company's Goodyear Chemical unit.

RENAULT TO CUT EUROPEAN DEALER COUNT 50%. Renault says it wants to maintain the same number of sales outlets in Europe but encourage their owners to merge. The result will be to reduce the number of individual groups selling its cars in Europe 50% or more by 2004.

Renault also hopes to adopt techniques used by Nissan Motor Co., in which it owns a 36.8% stake, to trim future product development cycles to 28 months, a 22% improvement. The company says its latest actions should help it reduce annual costs about $900 million, a goal it couldn't achieve through cuts in purchasing alone.

2001 CLOSING STOCKS

STOCK	SYMBOL	CLOSE	CHANGE
DOW		10,021.50	-115.49
NASDAQ		1,950.40	-36.86
Autoliv	ALV	20.31	0.00
ArvinMeritor	ARM	19.64	0.00
American Axle	AXL	21.38	0.00
Dana	DCN	13.88	0.00
DaimlerChrysler	DCX	41.67	0.00
Donnelly	DON	13.15	0.00
Delphi Automotive	DPH	13.66	0.00
Eaton	ETN	74.41	0.00

STOCK	SYMBOL	CLOSE	CHANGE
EDS	EDS	68.55	0.00
Ford	F	15.72	0.00
General Motors	GM	48.60	0.00
Gentex	GNTX	26.73	0.00
Goodyear	GT	23.81	0.00
Johnson Controls	JCI	80.75	0.00
Lear	LEA	38.14	0.00
Magna International	MGA	63.47	0.00
TRW	TRW	37.04	0.00
Visteon	VC	15.04	0.00

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