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## daily™

MONDAY  
MARCH 10, 2003  
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**FORD REBUFFS SPECULATION IT MIGHT GO BANKRUPT.** Ford Motor Co. dismissed as “seriously flawed” the suggestion by Egan-Jones Ratings, a small credit rating agency, that the company “would be in bankruptcy right now” if its name wasn’t Ford.

Egan’s comments, including eight reasons why Ford might file for bankruptcy, were reported in *Grant’s Interest Rate Observer*. But Ford tells Dow Jones Newswires that Egan confused Ford’s corporate debt with the debt of its Ford Credit financing unit. The company tells Associated Press it is “fundamentally strong.”

Larger credit rating services seem to agree with Ford. On Friday Standard & Poor’s and Moody’s both affirmed their currently cautious credit ratings for the company and its financial operations.

**UNEMPLOYMENT HITS 5.8%.** A surge of some 300,000 layoffs in February pushed the U.S. jobless rate up 0.1% to 5.8%. It was the largest one-month jump in layoffs in 15 months and pushed total unemployment to 8.5 million people. Predictably, gloomy analysts say the numbers could be a sign that the American economy is slipping back into recession.

**OPEC MEETS THIS WEEK ON OIL PRODUCTION.** The Organization of the Petroleum Exporting Countries meets tomorrow in Vienna to decide how to maintain global oil supplies if war breaks out in Iraq.

The cartel, led by Saudi Arabia, wants to avoid a replay of the surging oil prices that accompanied the Gulf War 13 years ago. More important, it doesn’t want a sudden drop in oil prices like the one that occurred after the Gulf War when the U.S. announced it would tap its own strategic petroleum reserves. That action caused oil

prices to plummet by \$10 per barrel overnight.

Saudi Arabia accounts for virtually all of OPEC’s extra oil-pumping capacity, including enough to offset a complete halt in oil shipments from Iraq.

Analysts predict OPEC will leave unchanged its current production quotas (about 24.5 million barrels per day), issue assurances it will boost output if needed and stand by for further developments between the U.S. and Iraq.

**GHOSN TESTS HIS SUCCESSORS AT NISSAN.** Carlos Ghosn won’t relinquish his role as president of Nissan Motor Co. until 2005, but he has begun testing a short list of successors for the job, reports *Business Week*.

Ghosn is expected to name his successor next year before assuming the role of CEO of Nissan and its 44.4% owner, Renault SA a year later.

Ghosn will pare down his list of about 300 candidates in a management shuffle later this month and is expected to anoint one of them chief operating officer, a job currently vacant.

*BW* profiles five top-runners—all Japanese, all relatively unknown outside the company and most without overseas management experience. Its top pick: Katsumi Nakamura, 54, who heads Nissan’s expansion in China.

**SUPPLIER SHAKEOUT TO ACCELERATE?** The prospects of lower auto sales and production cuts will speed up business failures and consolidation in the American auto supplier industry, reports Reuters.

It says the U.S. auto supply base shrunk from roughly 30,000 to 10,000 companies between 1990 and 2000. By 2010, no more than 5,000 suppliers are expected to remain, according to the Original Equipment Suppliers Assn. in Troy, Mich.



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Reuters says suppliers with annual revenue between \$10 million and \$100 million face the highest risk, with tier one and two suppliers gobbling up production.

**FEDERAL-MOGUL SUBMITS FINAL REORGANIZATION PLAN.** Federal-Mogul Corp. has filed a plan to emerge from Chapter 11 bankruptcy protection by reorganizing the company, issuing new stock and using 51.1% of the equity to create a trust to handle current and future claims by asbestos claimants. A court hearing to review the plan is scheduled for June 11.

The plan would give 49.9% of Federal-Mogul's new stock to its current noteholders.

When the company filed for bankruptcy protection 16 months ago, it faced at least 365,000 asbestos-related lawsuits stemming from its 1997 purchase of a British brake pad maker. It has been trying since then to isolate its asbestos exposure from the remainder of the company's auto parts business.

The option of creating a trust for claims is a new provision in federal bankruptcy law intended to make it easier for companies to get back to business while dealing with legal claims.

**FOREIGN BRANDS DOMINATE "TOP PICKS" BY CONSUMER REPORTS.**

Foreign brands captured or tied with domestic nameplates for the top-vehicle rating in nine of the 10 categories in this year's *Consumer Reports* auto issue.

The magazine says the \$46,000 BMW 530i, which achieved only an average reliability rating, is the best car it has ever tested.

Other category winners for 2003:

- Fun to drive: Subaru Impreza WRX
- Family sedan: Honda Accord/Volkswagen Passat
- Small sedan: Honda Civic EX
- Driving green: Honda Civic Hybrid
- Affordable versatility: Pontiac Vibe/Toyota Matrix
- Small SUV: Toyota RAV4
- Midsize SUV: Honda Pilot
- Pickup truck: Chevrolet Avalanche
- Minivan: Honda Odyssey

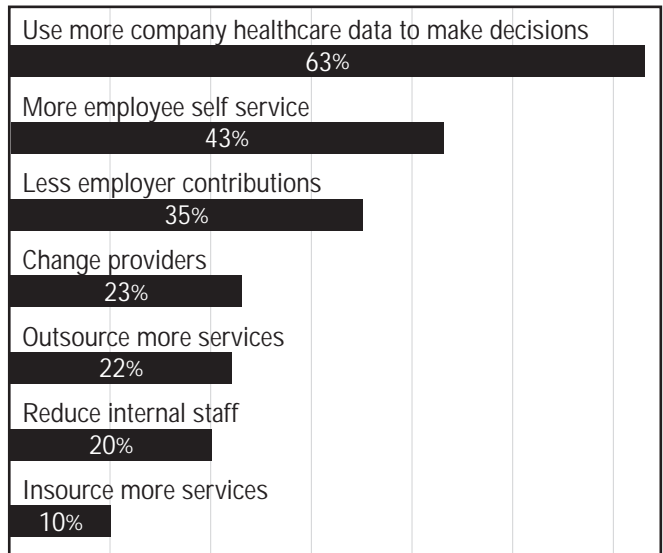
**GM EXPLAINS PONTIAC, BUICK, GMC MARKETING CHANNEL STRATEGY.** General Motors Corp. thinks it can capture more customers by offering Buick, GMC and Pontiac brands through one dealer network. But it insists in an interview with Associated Press the effort won't dilute any of the three brands.

Only about 2% of Pontiac dealers and 4% of Buick dealerships are stand-alone outlets now. Roughly one in four Pontiac or Buick dealerships already sells Buick, Pontiac and GMC together. GM tells AP it is encouraging



**Reducing Healthcare Costs**

Employers are looking at several ways to reduce their healthcare costs.



Data: Watson Wyatt/WBGH survey

but not insisting that dealerships combine the three brands by partnering with each other or selling some of their franchises.

On March 1 GM created the new position of general manager of Pontiac-GMC and Buick divisions and installed Kurt Ritter, formerly Chevrolet's marketing chief, in the job.

**TUNER AFTERMARKET CONTINUES TO ZOOM.** Retail sales of equipment for the "sport compact performance market," better known as tuners, surged 25% to \$1.5 billion from 2000 to 2001 and appears to have soared as much as 50% more last year to \$2.25 billion, says the Specialty Equipment Market Assn.

Tuners are the heavily modified little cars immortalized in the movie, *The Fast and the Furious*. SEMA will report 2002 figures in detail on April 25.

**TOYOTA POLLUTION SETTLEMENT AFFECTS 3.6 MILLION VEHICLES.** Toyota Motor Co. will spend \$34 million to reduce emissions from some 3.6 million current and future vehicles, including some it didn't make.

The settlement with the U.S. Dept. of Justice and Environmental Protection Agency stems from onboard diag-

nostic systems that failed to alert drivers adequately about the condition of their vehicles' emission control systems.

Under the agreement, Toyota must pay a \$550,000 fine and spend \$20 million equipping 3,000 diesel buses it didn't manufacture to emit less pollution.

Toyota also must spend \$11 million to accelerate emission compliance for some 1.4 million non-diesel vehicles it plans to build between 2004 and 2006. In addition, it will spend about \$3 million to extend the emission warranties on about 2.2 million gasoline-powered Toyota cars, trucks and minivans produced between 1996 and 1998.

**FORD DETAILS CENTENNIAL CELEBRATION.** Ford Motor Co. has announced details of its 100th birthday celebration June 12-16. Passes for the five-day event cost \$24.95 each and can be ordered online at [www.ford.com](http://www.ford.com).

Among the planned activities are concerts, a children's "safety village," classic vehicles, concept cars, a Wright brothers airplane display, numerous photo ops and appearances by an assortment of singers, movie stars and race car drivers.

**CHINA ANNOUNCES NEW PLAN TO CUT RED TAPE.** The Chinese government has revealed its third attempt in a decade to reduce bureaucracy, stamp out corruption and streamline the overlapping responsibilities that make it difficult for Western companies to know when a deal is a deal, reports *The New York Times*.

The sweeping new plan would allow the country's central bank to set monetary policy but not regulate state-owned banks—an arrangement akin to the role of the U.S. Federal Reserve Board—and set up U.S.-type regulatory agencies to oversee banking, food and drugs and other industries. It also would create one agency to regulate both foreign and domestic trade for the country. And it would turn over state-owned assets to a new agency assigned to capitalize on the government's financial interests without making economic policy.

The plan must be accepted by the National People's

**AUTOBEAT DAILY**  
is a publication of Hampton AutoBeat LLC,  
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Congress, currently in session. The *Times* points out that such proposals can take years to implement and often are softened along the way.

**GM PRODUCTION IN CHINA TO GROW 35% THIS YEAR.** Shanghai GM, the joint venture between General Motors Corp. and Shanghai Automotive Industry Corp., expects to boost production from about 111,000 units last year to more than 150,000 in 2003, reports Reuters. The company produces the Buick Sail and, in 2004, will supply a V-6 engine for the Chevrolet Equinox SUV to be produced in China.

**UNION, FREIGHTLINER SETTLE IN CANADA?** The Canadian Auto Workers union was expected last night to approve a new contract with the Freightliner unit of DaimlerChrysler AG, affecting some 1,100 workers at Freightliner's plant in St. Thomas, Ont.

The union had been on strike since Feb. 21, primarily over the company's attempt to raise employee co-payments for healthcare coverage. The affected plant makes medium- and heavy-duty trucks.

## FRIDAY'S CLOSING STOCKS

| STOCK           | SYMBOL | CLOSE    | CHANGE | STOCK               | SYMBOL | CLOSE | CHANGE |
|-----------------|--------|----------|--------|---------------------|--------|-------|--------|
| DOW             |        | 7,740.03 | +66.04 | EDS                 | EDS    | 14.79 | +0.24  |
| NASDAQ          |        | 1,305.29 | +2.40  | Ford                | F      | 7.22  | -0.23  |
| American Axle   | AXL    | 20.95    | -0.55  | General Motors      | GM     | 31.11 | -0.09  |
| ArvinMeritor    | ARM    | 13.69    | 0.00   | Gentex              | GNTX   | 25.20 | +0.45  |
| Autoliv         | ALV    | 19.90    | +0.12  | Goodyear            | GT     | 4.20  | +0.03  |
| BorgWarner      | BWA    | 47.30    | -0.48  | Johnson Controls    | JCI    | 77.08 | +0.83  |
| DaimlerChrysler | DCX    | 29.35    | +0.32  | Lear                | LEA    | 35.42 | +0.37  |
| Dana            | DCN    | 7.40     | +0.04  | Magna International | MGA    | 53.72 | +0.43  |
| Delphi          | DPH    | 7.00     | -0.17  | Tenneco Automotive  | TEN    | 2.17  | -0.02  |
| Eaton           | ETN    | 69.83    | +0.92  | Visteon             | VC     | 5.98  | -0.06  |