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TUESDAY
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U.S. MARCH SALES TRACKING ABOVE ESTIMATES. March vehicle sales will be down more than 6% compared to last year's overheated level. But they are still tracking at an annualized rate of about 16.7 million units, according to the Luckey Consulting Group in Kennelton, N.J.

Many industry executives expect U.S. sales to total around 16.5 million this year. Luckey predicts first-quarter sales will be closer to a 17-million-unit annualized rate, or 4.3% ahead of the pace of the previous quarter.

A MODEST CUT DUE IN U.S. INTEREST RATES TODAY... The Federal Reserve can't win in today's decision to cut overnight lending rates. A small reduction will leave stock investors disappointed. But a big cut is likely to be perceived as evidence the Fed thinks the U.S. economy is, indeed, in bad shape—thus triggering more bad news on Wall Street.

Anyone can see the stock market is in trouble. But the Fed focuses on the economy itself, which is sending somewhat different signals, notes a Bloomberg online report. It points out that consumer confidence has stabilized, steel production is up, car sales are better than expected and home construction and sales are strong.

The Fed's job "isn't to save the stock market," one analyst tells Bloomberg. "It's to save the economy from the stock market."

...AS RATES DROP TO ZERO IN JAPAN. Japan's government says the country's economy is in a state of deflation for the first time since World War II. In response, the Bank of Japan has reinstated a 1999 policy dropped last August that, in effect, brings the nation's basic interest rate to zero by pumping more money into the country's economy.

The overnight interest rate in Japan previously had been trimmed to 0.15% by the bank. It expects to maintain the zero interest policy until prices stop dropping in

Japan. Analysts fret that the move leaves the bank with no further options to help shake the country's economy out of its 10-year coma.

Japan's move comes as the Federal Reserve moves to cut the U.S. prime interest rate later today. Both actions have the same objective, but analysts on both sides of the Pacific doubt that tinkering with interest rates alone can fix the problems each economy faces.

FORD REOPENS PLANT HIT WITH LEGIONNAIRE'S DISEASE. Ford reopened its Cleveland Casting Plant last night after a three-day disinfection process to rid the facility of bacteria that killed two workers and infected at least two others last week.

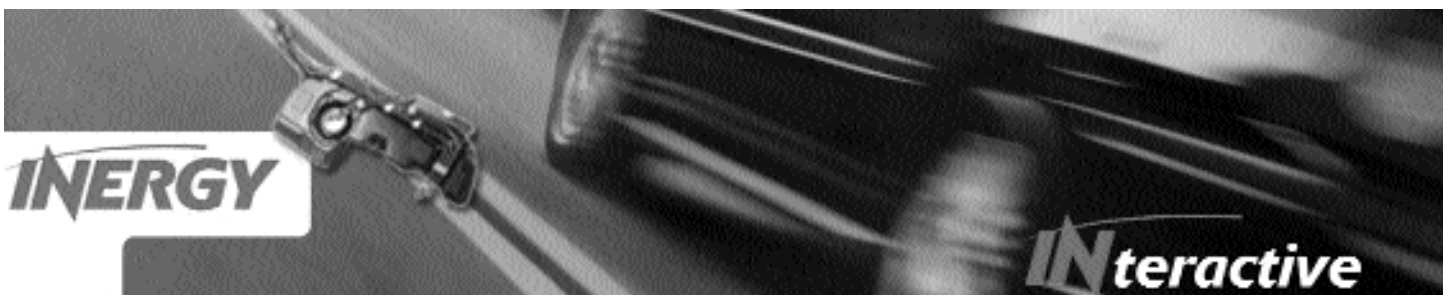
Ford and the Centers for Disease Control took dozens of samples from the plant before the disinfection process began. The source of bacteria that infected the employees has not yet been identified.

GM RECALLS CARS OVER ELECTRICAL FIRES. General Motors has begun recalling 778,000 1993-1995 Buick Skylark, Oldsmobile Achieva and Pontiac Grand Am compact cars to fix ignition switches that may overheat and start a fire if held in the "start" position too long.

The National Highway Traffic Safety Administration, which had been looking into the problem, closed its investigation when GM decided to recall the vehicles.

Meanwhile, NHTSA is stepping up its probe of some 2.8 million DaimlerChrysler minivans built between 1996 and 2000. Coiled wires in their driver side airbag systems could break, disabling the airbag and sometimes the horn or cruise control as well.

DAEWOO TO CUT 6,500 JOBS OVERSEAS. Bankrupt Daewoo Motor Co. plans to trim its non-Korean workforce 14%, or 6,500 employees, by year-end.



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The cuts come after the company reduced its workforce in Korea by roughly 30%. Daewoo, which currently has capacity to build one million cars in Korea and 800,000 overseas, is shedding its operations in Japan, Hong Kong, Thailand and Myanmar. Its units in Poland and India are restructuring and cutting staff.

Meanwhile, Kim Woo-Choong, the fugitive founder of Daewoo's parent, is in Europe contemplating suicide over his role in bankrupting the huge Daewoo Group, his lawyer tells a magazine in Seoul. Two weeks ago the Korean government issued a warrant for Kim's arrest on charges of fraud and embezzlement.

NISSAN RESUMES STOCK DIVIDEND. As evidence of its spectacular financial turnaround, Nissan Motor Co. says it will begin paying a dividend for fiscal 2000. That would be the first dividend since the Japanese automaker skidded into an ocean of red ink three years ago.

Nissan won't say what the dividend will be until late next month. Its last per-share dividend was 10 yen, currently worth about 8 cents, paid for fiscal 1997.

Separately, the Renault-controlled automaker says it will collect \$196 million by selling land in Tokyo that once housed a Nissan aerospace factory. The site is being acquired by a quasi-governmental development company.

MACK TOUTS CLEAN-ENGINE TECHNOLOGY. Mack Trucks says its big 12-liter diesel engine will be able to meet federal emission laws that will require a 60% drop in oxides of nitrogen emissions by October 2002.

The big truck and truck engine manufacturer says its

cooled exhaust gas recirculation system is key to achieving the standard, although other technologies are involved. Mack says its system has demonstrated its ability to reduce NOx emissions 10% to 20% below the 2.5-gram level that takes effect next year.

GM WANTS TO COAX MORE WOMEN INTO AUTOMOTIVE RETAILING. GM is launching a new program to recruit and develop more women to own and operate GM franchised dealerships. Only 203 of 7,500 GM dealerships are women-owned now.

GM is patterning the new program after the minority dealer development program it began in 1974. It will be led by Patricia Roberts, a 34-year GM veteran with experience in diversity marketing, finance and sales.

UAW'S FRASER BLASTS BUSH. Former UAW President Doug Fraser, now 84, blasts George W. Bush's decision to block a strike by Northwest Airline mechanics as "absolutely ignorant" and a blow to collective bargaining.

Fraser, the UAW's president from 1977 to 1983, notes in today's *Detroit Free Press* that organized labor faces a hard time in the next several years, and not just from a pro-business Bush Administration. The UAW is more preoccupied keeping plants open and controlling attrition than adding members, he concedes, adding that the union faces formidable odds trying to organize foreign-owned auto plants in the South.

Nevertheless, he says, "The only way to have democracy in the workplace is through a collective voice. It's the only way you can have a voice in your own future."

CLOSING STOCKS

| STOCK | SYMBOL | CLOSE | CHANGE | STOCK | SYMBOL | CLOSE | CHANGE |
|-------------------|--------|----------|---------|---------------------------|--------|-------|--------|
| DOW | | 9,959.11 | +135.70 | Ford | F | 29.81 | +1.38 |
| NASDAQ | | 1,951.18 | +60.27 | General Motors | GM | 56.29 | +1.54 |
| Autoliv | ALV | 15.89 | +0.15 | Gentex | GNTX | 24.25 | +0.88 |
| ArvinMeritor | ARM | 15.55 | +0.15 | Goodyear | GT | 25.36 | +0.40 |
| American Axle | AXL | 9.25 | +0.35 | Johnson Controls | JCI | 63.13 | +0.71 |
| Dana | DCN | 18.86 | +0.55 | Lear | LEA | 32.36 | +2.05 |
| DaimlerChrysler | DCX | 46.77 | +1.25 | Magna International | MGA | 46.28 | +1.12 |
| Donnelly | DON | 14.10 | -0.10 | Superior Industries Int'l | SUP | 34.53 | +0.53 |
| Delphi Automotive | DPH | 14.60 | +0.55 | TRW | TRW | 37.18 | +1.16 |
| Eaton | ETN | 71.10 | +3.23 | Visteon | VC | 15.33 | +0.53 |



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