

This Week's Briefing

Monthly new car sales rise for first time in 13 months

Dealers find carmaker relations 'challenging' in trading climate

Van sales rise as 'more typical' operating cycles return

Used car shortage prevents residual value meltdown

Small cars lead as low volume keeps lid on depreciation

Model update: BMW, Ford, Lexus, Jaguar, Renault, Toyota

Saab losses mount as it files for voluntary reorganisation

The Editor's View

ALMOST four months ago the *Digest* (May 26) published sales figures that showed that the Government's electric vehicle revolution had fallen flat. Little has changed since then and now the British Vehicle Rental and Leasing Association has called on manufacturers to cut the price of electric vehicles. It is of course right. It is nigh on impossible to justify the case for spending, for example, £23,990 on a city car (Mitsubishi i-MIEV) or £25,990 on a family car (Nissan Leaf) even once a £5,000 Government grant is taken into account. Factor in a series of unknowns - residual values, model reliability - as well as the lack of a viable recharging infrastructure and it is not difficult to see why sales have failed to take off. However, given such issues even price cuts are unlikely to be enough to stimulate demand. With economic conditions tight few private and fleet buyers are going to risk cash on dipping into the unknown. For the foreseeable future the electric vehicle revolution remains no more than a line on a Whitehall wish list.

Fleet file

BVRLA calls for cuts in electric vehicle pricing

ELECTRIC vehicle manufacturers need to reduce their prices if they want to energise the market, the British Vehicle Rental and Leasing Association has warned.

According to the Society of Motor Manufacturers and Traders, just 812 buyers have taken up the Government's £5,000 Plug-In-Car Grant so far this year, suggesting that electric vehicles are still too expensive for most consumer and fleet buyers.

'More than a dozen new electric and hybrid vehicles are set to hit the UK market over the next year, but most of them will be decorating showrooms unless manufacturers are more realistic on pricing,' said BVRLA chief executive, John Lewis.

'Ultra-low carbon transport is a necessity and electric vehicles have a big part to play in getting us there, but these vehicles are simply too expensive for most fleets at the moment.'

A simple calculation of running costs by the BVRLA suggests that a Nissan Leaf would cost £5,000 more to

‘With existing concerns over range anxiety and residual values, potential customers will need to see some real cost benefits if they are to adopt this exciting new technology in significant numbers,’ said Lewis.

‘With the retail car market in the doldrums, it is the fleet market that is responsible for nearly 60% of new registrations in the UK. Fleet customers don’t buy on sentiment - cost is their main criteria.’

Earlier this summer the BVRLA and the SMMT held a joint workshop to answer many of the questions fleets had about electric and hybrid vehicles.

As a result, the BVRLA has published a ‘Business Guide to Electric Vehicles’, which answers many of the most pressing questions about operational issues like charging, batteries, servicing and repairs, range anxiety and safety. The guide also gives an indication of the potential financial implications of running an electric vehicle. It can be downloaded free from the BVRLA website at: www.bvrla.co.uk.

Zenith claims fleet funding first for industry to underpin growth

ZENITH says it has completed a fleet industry funding first with core banking partner HSBC to underpin further growth and innovation.

What the company called a ‘unique ground breaking facility’ will enable it to raise cash against the quality of its asset base to meet the ‘significant planned organic growth’ of Zenith and its customers.

Chairman Andrew Cope said: ‘We have continued to invest heavily in our service delivery infrastructure and have a compelling proposition for UK corporates. The quality of our customer base is second to none and allows us to develop differentiated funding structures for our clients. The size of the new funding facility is substantial and highly scalable and will be sufficient to fund all of our anticipated growth plans.’

Zenith says the funding will allow it to continue to develop support services delivering top quality intelligent fleet outsourced provision for mid to large UK and international companies.

The company’s chief financial officer Mark Phillips was the architect and driving force in creating the facility.

He explained: ‘Whilst other forms of securitisation have been used in our industry before, the structure we have developed is genuinely unique in a number of ways.

‘It was an exciting and challenging project, but the basic principles were simple. During times of market stress and restricted supplies of credit, there is a flight to quality.

‘We deal with some of the world’s strongest businesses and as a result have been able to demonstrate very clearly to investors that our asset base is of extremely high quality. There is a pool of capital out there that is keen to invest money securely in top quality assets.’

2011 Fleet Hero Awards launched to celebrate UK’s greenest fleets

THE UK’s greenest fleets and their suppliers will once again be recognised at the Energy Saving Trust Fleet Hero Awards.

The awards celebrate public and private organisations that are successfully reducing their fuel bills and lowering carbon footprints through fleet travel and transport policies. They also highlight companies that supply cost and fuel saving products or services to car and van fleets.

Nigel Underdown, head of transport advice for the Energy Saving Trust, said: ‘Road transport accounts for

positive impact. We find that organisations taking action to reduce fleet emissions are actually saving money as well as helping our nation meet its sustainability goals. These organisations deserve to be celebrated and honoured as Fleet Heroes.’

The Fleet Hero awards are open to fleets of any size in the public and private sectors. The 11 categories are: Best Public Sector; Best Private Sector; Innovation in Fleet Management; Innovation in Car and Van manufacture; Innovation in Services and Systems; Industry Supplier; Leadership; Smarter Driving; Grey Fleet Management; Business Mileage Management; and Van Fleet Management.

Applying initially requires a 250-word entry outlining why an organisation should win. The deadline for initial applications is Tuesday September 20. Those applicants who qualify to enter the second and final round of judging will be notified by Tuesday September 27 and invited to submit a second, more detailed application by Friday October 14.

The Fleet Heroes Awards 2011 judges include Julie Jenner, chairman of ACFO, Steve Briers, editor of *Fleet News*, and Ian Featherstone, of the Energy Saving Trust.

To receive an application form, email name, job title and organisation to fleetheroes@est.org.uk or download from <http://www.est.org.uk/fleetheroes>

Whole life costs - top consideration for fleet managers

WHOLE life costs should be top of the list of factors to consider before buying or leasing company vehicles, KeeResources, a leading provider of automotive data to vehicle manufacturers, retailers and the fleet industry, has warned fleet managers and companies.

Mark Jowsey, commercial director at KeeResources, said: ‘With September peak new car registrations this month, and company budgets being squeezed ever tighter, whole life costs should be the prime consideration before signing contracts.

‘Vehicle manufacturers are launching new ranges of lower CO₂ efficient vehicles every month and this presents fleet managers and companies with significant opportunities for reducing costs for those with access to the latest automotive market data and the right forecasting tools.

‘Two elements of whole life costs set to rise next year are employee benefit-in-kind (BIK) tax and employer National Insurance contributions. In April 2012, the BIK low rate 10% tax band will drop from the current 120 g/km to 99 g/km with BIK increasing by 1% for each 5 g/km rise in a car’s CO₂ emissions.’

A white paper on *Vehicle Whole Life Costs: Best Practice for Fleet Managers* is available for free download

Wessex Fleet Solutions signs up to 1link Hire Network

WESSEX Fleet Solutions has become the latest major fleet to sign up to epyx’s 1link Hire Network daily rental e-commerce platform.

The Salisbury-based company is adopting the platform in order to more efficiently handle growing demand from its customers for daily rental services, explained marketing director Simon Naylor.

He said: ‘We are seeing sustained growth in our business at the moment and, as a result of that, are handling ever greater volumes of daily rental bookings.

‘With Thrifty as our main supplier alongside a variety of other national and local providers, we have been looking for a solution to enable us to improve the entire short term hire process and believe that 1link Hire

Ken Trinder, head of business development at epyx, said: 'We have seen several major leasing companies sign up to use Ilink Hire Network in 2011. The platform continues to gain momentum.'

For purchasers of daily rental services such as major fleets, Ilink Hire Network enables online easy comparison of multi-supplier quotations and subsequent booking. For daily rental suppliers, it provides access to new customers as well as electronically validating bookings and other major process improvements.

IAM Drive & Survive offers new driver safety product

THE commercial training arm of the Institute of Advanced Motorists, IAM Drive & Survive, is now offering fleet managers and commercial drivers a new and improved online product - Virtual Risk Manager (VRM).

It is a research-based online risk assessment, monitoring and improvement tool, designed by Interactive Driving Systems to enable companies to monitor every aspect of their driver's safety and wellbeing.

It ensures that all 'reasonable steps' are being taken to support the employer's duty of care and health and safety obligations for business drivers, with a focus on early intervention.

VRM is claimed to provide savings of between 20 and 60% over three years by reducing incidents and collisions, leading to a reduction in insurance claims and staff compensation costs.

VRM stores and updates information on employee driving licence details, online driver risk assessment ratings, qualifications and performance and information on all training taken.

IAM Drive & Survive chief executive Simon Best said: 'VRM is especially designed to help fleet managers improve safety and reduce costs. With VRM IAM Drive & Survive provides fleets with assessment and training that is completely tailored to the company's needs. It is an excellent low-cost tool that checks the driving risk of new employees and meets the training needs of existing staff.'

Balfour Beatty makes a Smart decision!

INFRASTRUCTURE services business Balfour Beatty's Plant & Fleet arm has added eight Smart fortwo cdi coupés to its fleet of pool cars as a demonstration of the company's commitment to reducing its carbon dioxide footprint.

Balfour Beatty Plant & Fleet Services took the strategic decision to add the cars after searching for an economical and environmentally-friendly solution for staff business travel, and being won over by the model's 86 g/km emissions figure and combined cycle fuel economy of over 85.6 mpg.

Balfour Beatty Plant & Fleet Services' fleet director Hugh Cole said: 'We've made the decision to invest in eight Smart vehicles as a tool to demonstrate our very strong and public commitment to sustainability.'

'The cars are to be used across Balfour Beatty for employees who require a car for occasional business travel, so they had to be economical, environmentally-friendly and also comfortable for our staff. The Smart cdi won on all accounts.'

Scottish firm takes delivery of Citroën fleet

CR SMITH, Scotland's leading manufacturer and supplier of UPVC windows, doors and conservatories, has taken delivery of 23 Citroën C5 Tourers for its sales force.

The new C5 VTR+ NAV HDi 110 manual models join CR Smith's 150 strong vehicle fleet. Fleet manager Ian Darroch said: 'We selected the C5 Tourers to meet the demanding operational requirements of our sales force. They need a car with a boot big enough to carry large samples of the window and conservatory sec-

tions we manufacture and install, while as a business we demand low whole life costs. The C5 Tourer meets all of these requirements.'

The vehicles were supplied by Citroën dealer Arnold Clark in Armadale.

Model update

Ford expands ECONetic technology throughout model line-up

FORD will bring ultra-fuel efficient versions of the Focus and Fiesta to Europe in mid-2012 as part of a broader strategy to roll out more green technologies across its line-up under its ECONetic technology badge.

At next week's Frankfurt International Motor Show, which opens on Tuesday (September 13), Ford will show two new ultra-efficient models packed with advanced fuel saving technology.

The new Focus ECONetic technology - featuring first lean NOx adsorbing technology in a Ford diesel - achieves 89 g/km, and the new Fiesta ECONetic technology - the first Fiesta with auto-start-stop technology - which delivers 87g/km.

The Focus will return 83.1 mpg, making it the most fuel efficient non-hybrid C segment car in Europe. The Fiesta achieves 85.6 mpg.

Ford will also show at Frankfurt a Focus powered by the new three-cylinder, 1.0 litre EcoBoost engine, which delivers both first-class fuel efficiency and what the manufacturer describes as 'surprising performance' due to direct fuel injection and turbocharging.

The three vehicles are part of an aggressive strategy to make leading fuel efficiency and green technologies available to more customers under the Ford ECONetic technology badge.

The expansion of ECONetic technology is also part of Ford's overall sustainability strategy, including the target of reducing carbon dioxide emissions of its cars by 30% between 2006 and 2020.

Ford says its range of low-emission features will be available in an increasing number of its vehicles in Europe qualifying them to wear the 'ECONetic Technology' badge, which will be applied from October to all Ford cars that are the leaders or among the very best in terms of fuel economy in their segments. The badge will appear on more than 30 models by the end of next year, says Ford.

The technology will include features such as auto-start-stop, smart regenerative charging, active grille shutter, ECO mode and other fuel-saving features - some of which are already available on Fiesta, C-Max, Grand C-Max, Focus, Mondeo, S-Max and Galaxy by the end of this year.

In terms of sales, about half of Ford cars sold in the second half of 2012 in Europe will carry the 'ECONetic Technology' badge - increasing to an expected two-thirds by mid-2013.

The 'ECONetic Technology' badged petrol and diesel passenger cars will be powered by the 1.0 litre or 1.6 litre EcoBoost engines or the 1.6 litre TDCi diesel engine.

The 'ECONetic Technology' range also will include all the electrified Ford models, the Focus Electric, an all-electric vehicle that debuts next year, and the C-Max Hybrid and C-Max Energi plug-in hybrid coming to market in 2013.

Lexus gives world debut to new full hybrid GS 450h

THE new Lexus GS 450h full hybrid performance saloon will make its world debut at the Frankfurt Interna-

Equipped with second-generation Lexus Hybrid Drive, the new GS is claimed to deliver improvements in both environmental and driving performance.

The GS 450h will be sharing the limelight with the new CT 200h F-Sport, which will make its European debut at the show. The first development of Lexus's full hybrid luxury hatchback since its launch earlier this year, the F-Sport features bolder styling elements and handling adjustments.

The announcement comes with Lexus celebrating being named *Auto Express* Manufacturer of the Decade (*Digest: September 1*).

Graham Hope, *Auto Express* deputy editor, said: 'Their supreme comfort and great build quality are regularly praised, and this is backed up by aftersales service which is unmatched in the industry.'

Jaguar sets new performance and efficiency marks with new models

THE fastest and most efficient production Jaguars created have gone on-sale - the XKR-S and XF 2.2 respectively.

The new XF 2.2 is capable of travelling in excess of 800 miles on a single tank of diesel - 52.3 mpg - while emitting 149 g/km of carbon dioxide. The 190 PS model costs £30,950 on-the-road.

Meanwhile, the XKR-S can accelerate from rest to 100 mph in 8.7 seconds before reaching an electronically limited top speed of 186 mph. The 550 PS coupe model costs £97,000 on-the-road, delivers combined cycle fuel economy of 23 mpg and emissions of 292 g/km.

Each model forms part of the new Jaguar 2012 model year programme of upgrades and improvements that sees the XF take on a new look with extensive panel changes including the bonnet, front and rear lights and bumpers, front wings and improvements to the interior switchgear, the navigation system and seats.

Similarly, the XK range benefits from a series of changes. A new, larger front grille is framed by a set of slim new headlight units, new horizontal front wing vents, new wheel designs and changes to the rear lights.

For the first time bucket seats will be offered on the car while the interior features new trim finishes to further raise the levels of comfort and refinement.

The XJ also benefits from subtle revisions. A rear-seat comfort option pack has been introduced that includes reclining seats, four-way adjustment for the lower back, a massage feature, footrests and winged headrests.

Renault to debut electric Fluence at Ecovelocity

RENAULT'S electric Fluence Z.E. (zero emission) saloon will be available for driving at a public show for the first time at EcoVelocity, which opens at London's Battersea Power Station today (Thursday, September 8).

The five-seater, which is being billed by Renault as the UK's most affordable electric car, will be taking pride of place on the French marque's stand with the Kangoo Van Z.E. during the four-day eco motoring festival.

The Fluence Z.E. is a four-door saloon that goes on sale in the UK during the first half of 2012, priced from £17,850 on-the-road after the deduction of the £5,000 Plug-In Car Grant.

Renault's battery hire model via RCI Financial Services, which for Fluence Z.E. costs from £69.60 per month including VAT (based on 6,000 miles per year and a three-year agreement), also removes, says the company any concerns about battery longevity and replacement cost.

Standard equipment includes 16-inch alloy wheels, auto lights and wipers, climate control, cruise control, ecoMeter and Carminat TomTom smart satellite navigation.

The car is powered by a 70kW (95 bhp) motor, with 226 Nm torque and a range of up to 115 miles.

The Kangoo Van Z.E. is the world's first electric van produced by a mass-market manufacturer. It is available in two-seat Kangoo Van and Maxi guise, or five-seat Crew Van, priced from £16,990 excluding VAT. Monthly battery hire starts at £62 per month based on 9,000 miles per year and a four-year agreement.

It offers the same carrying capacity (ranging from 3 to 3.5m³) and payload (650 kg) as its equivalent internal-combustion-engined versions.

New Jaguar two-seater unveiled

JAGUAR will unveil the C-X16 concept at next week's Frankfurt International Motor Show and speculation is rife that the two-seater will go into production next year and the price tag will be around £50,000.

The compact, rear-wheel drive, two-seater, which has Porsche in its sights, is powered by a supercharged 3.0 litre V6 engine producing 380 PS and 332 lb ft (450 Nm) of torque

The concept is equipped with hybrid technology, which is controlled by a steering-wheel mounted 'Push to Pass' button and boosts output by 70 kW and 235 Nm.

Top speed of the car is 186 mph, the 0-62 mph time is 4.4 seconds and emissions are 165 g/km.

The C-X16 measures 4,445 mm in length, 2,048 mm in width and 1,297 mm in height and has a wheelbase measuring 2,622 mm. In terms of overall length, the C-X16 is the smallest Jaguar created since 1954 and the XK120.

Toyota to unveil new Avensis and Prius range

TOYOTA is to give world premieres to both the new Avensis and the new Prius family of full hybrid models at next week's Frankfurt International Motor Show, which opens on Tuesday (September 13).

Additionally, the new 2012 Hilux will be making its European debut and the three-door version of the recently launched new Yaris will be on public view for the first time.

The changes to the British-built Avensis include revised exterior styling, incorporating a frontal treatment that follows Toyota's new design language. The quality look and feel of the interior are also claimed to have been improved and strategic changes have been made to the powertrains and driving dynamics.

Toyota says that together, the changes represent the largest mid-life investment the manufacturer has made for any model.

Meanwhile, Toyota's full hybrid model has been updated and is joined by the production version of Prius Plug-in Hybrid and the seven-seat Prius+. The introduction of these models will make Prius the first full hybrid to be offered as a complete, stand-alone model range.

Prius Plug-in Hybrid is said to be the most technically advanced Prius yet, with emissions potentially as low as 49 g/km. Additionally, Prius+ will deliver sub-100 g/km emissions and is the first vehicle in Europe to offer the versatility of seven seats with the benefit of a full hybrid powertrain.

Hilux, Europe's best-selling pick-up, has undergone major restyling for 2012. The exterior changes are complemented by a new-look interior.

Porsche gives world premiere to new 911 at Frankfurt show

THE new Porsche 911 Carrera will make its world premiere at the Frankfurt International Motor Show next week (Tuesday, September 13).

The familiar appearance of the 911 is given further dynamism with a 100mm longer wheelbase, reduced height, and up to 20-inch diameter alloy wheels.

The new model sets new standards in its class for performance and efficiency with fuel consumption and emissions of all versions up to 16% lower compared with its predecessors.

For example, the 911 Carrera with the new 350 bhp 3.4 litre, flat six, direct injection engine and optional seven-speed PDK transmission returns 34.4 mpg on the combined fuel cycle - 6 mpg more than its predecessor. Also, at 194 g/km, it is the first Porsche sports car to sit below the 200 g/km emission benchmark.

In the case of the Carrera S, with its 400 bhp 3.8 litre, flat six, direct injection engine, economy when paired with the optional PDK is increased by 14%, or 5 mpg, to 32.4 mpg despite 15 bhp more power. That equates to emissions of 205 g/km.

Principle among the innovative steps forwards is the all-new, lightweight body, featuring intelligent aluminium-steel composite construction. It is responsible for a significant proportion of the vehicle weight reduction of up to 45 kg.

The model also features a new active chassis system, new electro-mechanical power steering and the world's first seven-speed manual transmission is featured as standard.

The new 911 will be in UK Porsche Centres from December 17. The 911 Carrera costs from £71,449 and the Carrera S from £81,242.

- ALSO celebrating a world premiere at the show is the Porsche Panamera Diesel. The Gran Turismo returns 43.5 mpg on the combined fuel cycle and has emissions of 172 g/km. Powered by a 3.0 litre V6 developing 250 bhp and maximum torque of 550 Nm, the engine is mated to an eight-speed Tiptronic S automatic transmission driving the rear wheels. The Panamera Diesel is priced from £62,134.

BMW to host series of world debuts at Frankfurt show

A HOST of new models will be making their world debuts on the BMW stand at this month's Frankfurt Motor Show, which opens on Tuesday (September 13).

Heading the list are the i3 Concept, which was dubbed the Megacity Vehicle during the development stage and will be presented as the first purely electrically powered production car within the BMW Group, and the i8 Concept, which is a plug-in hybrid.

The BMW i brand was launched earlier this year and is a synonym for visionary vehicles and mobility services. The i3 targets the future challenges of mobility in urban environments, while the i8 Concept is a sports car.

A second generation of the 1 Series will also make its world debut and features increased legroom and significantly optimised driving comfort compared with the outgoing model, says BMW.

Available for the first time on the new 1 Series will be the wide range of BMW ConnectedDrive systems, including new information systems such as the speed limit information system with no-passing info and the

The raft of BMW world premieres continues with the new M5, the 520d EfficientDynamics Edition and the X1 sDrive20d EfficientDynamics Edition.

Mini to debut coupé at Frankfurt show

MINI will give a world debut to its latest model - the coupé - at next week's Frankfurt International Motor Show.

The brand's fifth model in its rigorous range expansion process, the coupé is the first two-seater in the current line-up.

Externally distinctive with a new roof design, the two-seater still exhibits familiar Mini exterior and interior design features.

The two-seater will be offered from launch with a choice of four engine variants with outputs ranging from the 122 bhp of the Mini Cooper Coupé and the Mini Cooper SD Coupé's 143 bhp to the 184 bhp developed by the Mini Cooper S Coupé and the 211 bhp of the sporting flagship, the Mini John Cooper Works Coupé.

The Coupé is the brand's first model to adopt a classical three-box structure with a strikingly stepped rear end. The car has a 280-litre luggage compartment.

Official prices have yet to be released but expect a price premium of almost £2,000 over standard Mini models. The coupé is due to go on sale in the autumn.

Škoda concept signals new compact five-door model

ŠKODA will present a world premier design concept called MissionL at next week's Frankfurt International Motor Show.

Close to the final production-ready design, the concept car reveals the look of the manufacturer's new compact five-door vehicle to be launched in Europe, Russia and China.

In line with the brand's internationalisation principles, the compact 'liftback' will feature specific modifications in each of the regions. In addition, the Indian market will have its own version, a compact saloon.

The developments are in line with the goals of Škoda's 2018 growth strategy that was set last year in which the brand intends to increase its sales to 1.5 million vehicles by 2018.

Signalling that it is 'full steam ahead for growth', the company says that the concept reveal marks the start of the unveiling of a new vehicle every six months over the next two or three years.

Emissions down and technology up in revised Nissan Qashqai

NISSAN is fitting a new 1.6 litre diesel engine to its Qashqai and Qashqai+2 range, which is more refined and offers stronger in-gear acceleration than the outgoing 2.0 dCi which it replaces.

Around View Monitor is also being added to the Qashqai range offering luxury class visual parking. The system will be fitted as standard to all Qashqai and Qashqai+2 Tekna variants.

Like every Nissan producing less than 130 g/km, the 1.6 dCi wears Nissan's Pure Drive badge. The first Qashqai models to benefit from the new engine are available to order now for delivery in October, and offer emissions of 129 g/km.

Early next year Nissan will add its latest stop/start system, automatically turning off the engine when stationary to bring the Qashqai's emissions down to 119 g/km.

The new engine delivers a 31% improvement in fuel economy, which results in 62.8 mpg (+14.9 mpg) on the combined cycle while the first year's VED is free of charge. Company car drivers will also enjoy significant savings with a benefit-in-kind tax banding of 13% for stop start versions. The 1.6 dCi without stop and start costs £250 less to buy than the equivalent 2.0 dCi.

'This is a remarkable engine, best in class in so many respects. It provides the dynamic driving performance which matches that of the outgoing 2.0 litre dCi yet produces fuel consumption and emission figures equal to or better than our existing 1.5 litre dCi unit,' said Paul Willcox, senior vice president, Nissan Europe.

Hyundai brings hydrogen-powered car to the UK

HYUNDAI will give a UK debut to the ix35 Fuel Cell Electric Vehicle (FCEV) at EcoVelocity, the low-carbon motor festival at London's Battersea Power Station, which opens today (Thursday, September 8) and runs until September 11.

Show visitors will be among the first in the world to experience future travel in a hydrogen-powered car, with passenger rides available in the ix35 FCEV.

The vehicle is Hyundai's third-generation FCEV and it demonstrates the company's work on cutting-edge alternative fuels.

Boasting the same convenience as today's vehicles powered by traditional internal combustion engines, the ix35 FCEV has a driving range of 360 miles, a maximum speed of 100 mph and 0-62 mph time of 12.8 seconds. The fuel cell stack can operate at sub-zero temperatures as low as -25 degrees Celsius, and unlike a combustion-engined car, the ix35's only emissions are water vapour.

The car moves Hyundai closer to the commercialisation of fuel cell electric vehicles, and the aim, it says, is to bring a FCEV to market in the next few years.

Hyundai UK's managing director Tony Whitehorn said: 'Hyundai is a world leader in the development of hydrogen-powered technology and is constantly researching and developing modes of transportation that use alternative fuels at the Eco-technology research institute in Mabuk, Korea.'

But, he added: 'The ultimate goal would be to see zero-emission vehicles on UK roads within the next few years; however, the market and local infrastructure will be the real determinant of this. In the interim, Hyundai is working hard to make internal combustion engines as efficient as possible.'

Hyundai reveals new look i30

HYUNDAI will be unveiling the new generation i30 at the Frankfurt International Motor Show on Tuesday (September 13).

The all-new C-segment i30 hatchback is expected to build on the success of the current i30 model and is the next evolution of Hyundai's fluidic sculpture form language.

This week the manufacturer revealed the first pictures of the model. Thomas Bürkle, chief designer at Hyundai Motor Europe Technical Centre, said: 'The new-generation i30 is recognisable thanks to the Hyundai family face with its signature hexagonal-shaped front grille and the jewel-like design of the headlamps, together with distinctive daytime running lights.'

'Through the profile of the new generation i30, a strong character line runs over the front and rear wheelarches all the way to the tail lamps. A softer, lower character line rises up the car's flank creating a play of light and shadow.'

Volkswagen to launch break-through fuel-saving technology

VOLKSWAGEN'S latest efficiency technology, a cylinder shut-off system, will debut in the new 1.4 litre TSI engine from the start of 2012.

Volkswagen says it is the first manufacturer in the world to implement fuel-saving cylinder shut-off on a four-cylinder TSI engine in high-volume production.

The primary goal of the high-tech system is to reduce fuel consumption significantly by temporarily shutting off two of the four cylinders under low to medium loads. In fact, cylinder shut-off reduces fuel consumption of the 1.4 litre TSI by 0.4 litre per 100 km on the combined fuel cycle. When start/stop functionality is integrated, which deactivates the engine in neutral gear, the savings effect adds up to about 0.6 litre per 100 km.

The greatest benefits of the cutting edge technology are realised while driving at constant moderate speeds. At 50 km/h, in third or fourth gear, savings amount to nearly one litre per 100 km.

Cylinder shut-off is active whenever the engine speed of the 1.4 litre TSI is between 1,400 and 4,000 rpm and its torque is between 25 and 75 Nm. This applies to nearly 70% of the driving distance in the fuel economy driving cycle. As soon as the driver presses the accelerator pedal sufficiently hard, cylinders two and three are reactivated.

The system takes its information from the accelerator pedal sensor to detect the mode of driving. If the driving exhibits a non-uniform pattern - for example, while driving in roundabout traffic or in a sporty style on a country road - shut-off functionality is automatically suppressed.

Audi A2 returns as an electric car

AUDI is reviving the A2 - six years after the original model ceased production - as an electric car.

The four-seater will be exhibited as a concept at next week's Frankfurt International Motor Show and could go on sale in production form in 2013.

The new A2 has a lithium ion battery-powered electric motor mounted within a sandwich floor. It delivers 116 PS and 270 Nm, permitting a 9.3-second 0-62 mph time and governed 93 mph top speed. The model has a 124-mile range following a 1.5-hour 400-volt charge or four-hour 230-volt charge

The A2 concept can also cruise 'semi-autonomously', a benefit designed specifically to take some of the strain out of driving in slow-moving traffic.

Volvo focuses on engine downsizing

VOLVO says it is 'time to stop counting the cylinders' as it prepares to unveil a new downsized engine range at next week's Frankfurt International Motor Show.

Consisting solely of four-cylinder petrol and diesel engines, Volvo says the range marks the next step towards zero emissions and climate impact.

The reveal of a new concept car will prove that downsized engines can go hand in hand with customers' expectations on luxury and driving pleasure, according to Peter Mertens, senior vice president research and development at Volvo Car Corporation.

Volvo's upcoming four-cylinder VEA (Volvo Environmental Architecture) engine range includes common rail diesels and direct injected petrol engines. It covers the whole range from high power and torque variants

‘Our four-cylinder focus is the perfect way for us to quickly reduce carbon dioxide emissions and fuel consumption. We will develop four-cylinder engines with higher performance than today’s six-cylinder units and lower fuel consumption than the current four-cylinder generation,’ said Mertens.

The new powertrains are also up to 90 kg lighter than the present ones and fuel economy is improved by up to 35%.

Volvo gives facelift to XC90

VOLVO has revealed a series of upgrades to its XC90 model with the revised model available to order from late October.

The refinements include: a new day running light configuration using LEDs in the lower bumper; a redesigned silver metallic bumper bar as well as silver roof rails are now standard on all variants; there is also a new lower door moulding and all XC90 specifications are now fully colour-coordinated.

New tail lamps have dual light guides, LED brake lights and a silver turn indicator bulb (still with orange light). The latest new features also include a new six-spoke 18-inch wheel in a silver matt finish.

Additionally, a number of changes have been made to the XC90’s interior including the three-spoke steering wheel, aluminium décor as standard and the watch dial-inspired instrument design with white lighting.

The XC90 is also available in an Executive specification which features a number of exclusive options such as soft leather seats with ventilation and massage, as well as a number of details with a more exclusive finish.

Manufacturer news

Saab losses mount as it files for voluntary reorganisation

SAAB Automobile AB and its subsidiaries Saab Automobile Powertrain AB and Saab Automobile Tools AB filed for voluntary reorganisation yesterday (Wednesday, September 7), parent company Swedish Automobile N.V. (SWAN) has announced.

All other entities, including Saab Parts AB and all overseas entities such as Saab Great Britain and Saab Cars North America, are excluded from the reorganisation.

In a statement, Saab GB said: ‘Saab GB is an independent business and a separate UK legal entity to Saab Automobile, it is wholly owned by SWAN and is not part of the voluntary reorganisation filing.

‘Saab GB will continue to operate the business in the UK as normal and has sufficient funding in place to meet all creditor obligations and will continue to pay all employees, dealers and suppliers as normal. Saab GB and its dealer network will continue to provide servicing, replacement parts and vehicle warranty facilities for Saab customers as normal.’

The reorganisation plan contains a blueprint of how Saab Automobile’s management expects to improve Saab Automobile’s business model with an emphasis on an independent, lean and competitive organisation.

However, Saab’s future remains perilous and the latest move came a week after the management of SWAN said it continued to work on different scenarios to secure funding and ensure longer term continuity.

SWAN and Saab Automobile are of the opinion that, considering Saab Automobile’s current limited financial resources, a voluntary reorganisation will entail the best preconditions for using existing resources in the

The eventual purpose of the proposed voluntary reorganisation process is to secure short-term stability while simultaneously attracting additional funding, pending the inflow of the equity contributions of new investors Pang Da and Youngman.

The proposed voluntary reorganisation will be a self-managed, legal process under Swedish law headed by an independent administrator appointed by the court who will work closely with the Saab Automobile management team.

As part of the process, Saab Automobile has formulated a reorganisation plan, which includes a number of aspects aimed at lowering its cost-base and creating a viable, competitive and independent organisation.

The reorganisation plan is expected to be presented to creditors in more detail within three weeks, although this period could be extended by the court.

Following court approval, the voluntary reorganisation will be executed over an initial period of three months. If required, the reorganisation period can be extended by another three months, up to a maximum of 12 months.

SWAN and Saab Automobile say they are confident that they will secure additional short-term funding for the reorganisation period and are currently in negotiations with several parties about obtaining such funding.

Victor Muller, CEO of SWAN and CEO and chairman of Saab Automobile, said: 'We have concluded that a voluntary reorganisation process will provide us with the necessary time, protection and stabilisation of the business, allowing salary payments to be made, short-term funding to be obtained and an orderly restart of production to be prepared. I believe that Saab Automobile will emerge stronger from this process.'

'The potential for Saab Automobile as a viable, independent premium car manufacturer is there.'

Meanwhile, SWAN, which also has the Spyker sports car brand within its portfolio, reported net losses of €224.2 million for the first six months of 2011 (2010: €55.7m) on sales of €359m (2010: €241.6m).

The company said that its sales performance was seriously affected by production stoppages and tight liquidity during second quarter. Nevertheless, it still sold 15,194 cars in the first half of 2011 compared to 10,535 in the first six months of 2010, an increase of 44%

Muller said: 'It will come as no surprise that this has been an unbelievably tough quarter for this company. Nothing is worse than having to delay salary payments to your loyal employees and they deserve nothing less than my sincere apologies.'

'Moreover, our ever tighter financial situation resulted in sustained production stoppages, lost revenues and a significantly increased operating loss. Our business plan is under review pending completion of funding negotiations and to reflect ventures with our future partners Pang Da and Youngman.'

However, he added: 'Investor interest exists in Saab Automobile based on a continued belief in the long-term prospects for the brand and the company. Despite the company's current predicament, they recognise the potential of the Saab business: several new vehicles waiting to be launched in global markets, loyal customers who continue to order cars to this very day, a strong premium brand, committed and well-funded new Chinese partners and a highly-skilled workforce responsible for many innovations in the automotive business.'

'However, we know that we can't look too far into the future just yet. Right now, the focus of Saab management is on working as hard as possible to bring the company back into calmer waters by significantly strengthening our financial position, reaching agreement with all our suppliers on payment and delivery terms and restart production as soon as possible. We are evaluating all available options in order to secure continuity of Saab Automobile.'

Škoda begins production of electric Octavia for fleet trial

ŠKODA has begun production of a 10-car trial fleet of its first ever fully electric car, the Octavia E Line.

It is the next step in Škoda's continued efforts to reduce emissions and consumption levels throughout the company.

The Octavia Green E Line is based on the series-production Octavia Estate as its modular floorpan design can accommodate batteries, electrical control units and electric motor.

The motor itself provides 60 kW of power, with a maximum peak of 85 kW, with maximum torque of 270 Nm available from standstill.

So as not to catch pedestrians unawares, the Green E Line features a sound generator that simulates the noise of an engine at speeds of up to 25 mph. Free from the city limits, the Octavia Green E Line can accelerate from 0 to 62 mph in 12 seconds and is electronically limited to a top speed of 84 mph. The car has a range of 93 miles, which is helped by a brake energy recovery system.

As well as full electric, Škoda will also offer customers a plug-in hybrid vehicle in the future.

'Emission-free mobility is one of our key goals for the future, and my opinion is that electric vehicles are the right answer to the increasingly stringent emission limits and the need to develop the automotive industry sustainable,' said Škoda Auto board member for technological development Dr. Eckhard Scholz.

The first Octavia Green E Lines will appear on the roads this autumn, with the driving data collated by its trial drivers collated to feed back into the continued research and development.

Light commercial vehicles

Van sales rise as 'more typical' operating cycles return

VAN operators are returning to adopting 'more typical' vehicle replacement schedules, according to Paul Everitt, chief executive of the Society of Motor Manufacturers and Traders.

He was commenting following publication of August light commercial vehicle sales which were up 22.8% year-on-year at 10,640 (August 2010: 8,666) to take year-to-date sales to 161,040, up 20.9% on last year's eight-month total (133,345).

Everitt said: 'August saw the strong and sustained bounce back continue across much of the van industry as operators returned to more typical replacement schedules. With the commercial vehicle market up by over 20% for the year-to-date, industry is optimistic, but short to medium term economic uncertainty is likely to temper the rate of future growth.'

Despite last month's sales growth, the SMMT is cautious as August is typically a below-average month in the van registration calendar accounting for only around 5% of the annual total volumes during 1997 to 2007 period.

However, the SMMT is forecasting that it expects the annual volume of van registrations to hold in the range 250,000 to 260,000 over the near to medium term.

Last month registrations of sub-two tonne vans totalled 1,398 (August 2010: 1,367) to take 2011 volumes to 30,087 (2010: 28,568); 2.0-2.5 tonne segment sales last month were 1,837 (August 2010: 1,210) to take this year's registrations to 20,663 (2010: 17,117); 2.5-3.5 tonne sector sales last month were 6,424 (August 2010: 5,384) to take 2011 volumes to 89,763 (2010: 72,827); pick-up sales last month were 809 units (2010:

594) to take annual sales to 16,394 (11,858); and registrations of 4x4s last month totalled 172 (August 2010: 111) to take this year's sales to 4,133 (2010: 2,875).

Mercedes-Benz Sprinters add polish to Morrells' fleet

ENVIRONMENTALLY-conscious wood coatings specialists Morrells is operating a fleet of 11 low-emission Euro 5 Mercedes-Benz Sprinter 313CDIs.

The vehicles are strategically located across Morrells' nationwide network of depots - one is working from Letchworth, Hertfordshire, close to the Hatfield headquarters of supplying dealer S & B Commercials.

They are being used by the company to deliver its high performance finishes, lacquers, stains and other wood coating products to trade customers.

The remainder of the company's 22 vehicle fleet are due to be replaced with Mercedes-Benz Sprinters within the next 12 months.

The 129 bhp 313CDI model is 15% more fuel-efficient than the 311CDI it replaced last year. This equates to an extra 4.5 mpg, while emissions are down by 13%.

Ford Transit and Land Rover top most stolen van list

THE most commonly stolen light commercial vehicle is the Ford Transit, but close behind is the Land Rover, Mercedes-Benz Sprinter and Volkswagen Transporter, according to research by HPI.

The data also shows that the Transit is the most likely van to have been in an accident or be on outstanding finance.

For those whose livelihood depends on their loyal workhorse, buying a used van can be a risky business and something that should be approached with care, says HPI. Stolen, clocked, cloned, written-off or on outstanding finance are just some of the many pitfalls to catch-out the unsuspecting van buyer, warns HPI.

'It's not just owners that need to be concerned about which vans are most commonly stolen; used van buyers also need to consider the risks,' said Nicola Johnson, consumer services manager of HPI. 'Thieves will be looking to sell vans on to unwitting buyers, so people must be on their guard.'

Outstanding finance continues to be a major risk with around one in seven vans checked with HPI still on a finance agreement; one in eight are likely to have had a plate change and one in 16 vans are likely to have been involved in an accident and have been written-off by an insurance company.

'Our van hit rates tables show that the Transit is the most likely to have a history that's worth investigating further, but the Transporter and Sprinter are also ones to research thoroughly,' said Johnson.

Residual value update

Used car shortage prevents residual value meltdown

THE shortage of used cars in the marketplace is good news for disposers, preventing a 2008-style meltdown in values, but for dealers it means a constant headache finding suitable stock for retail similar to that faced in early 2009.

While low volume of available stock in the used car market is comparable with the first half of 2009, muted

Looking toward the end of the year, *Black Book* says the most significant anticipated change will be in volume and that may alter the 'uneasy balance' that has characterised the last few months.

However, the volume shift will not come from fleet/contract hire disposers - which are anticipating low volumes of returns - but from several manufacturers who will be putting a lot of cars into the market.

Meanwhile the big difference between early 2009 and now, according to the *Black Book* market commentary, is that demand is not sufficiently high to drive values up. Nor is it strong enough to tempt trade buyers to take on significant reconditioning work.

Black Book notes: 'The fact that buyers do not want to acquire poor condition vehicles on which to spend time and money is a strong indication that they are cautious over medium term prospects.'

Better news for market fluidity has been the decision by some larger disposers, who were previously reluctant to sell vehicles for lower than initial reserves, to agree to sell first time around. This is seen as a positive move, helping to keep the market moving when it would otherwise see a build up of unwanted stock.

'Late plate stock is where the only significant volume lies and this is another factor preventing a general rise in trade values. This is a blessing for some because retail sales of these cars are generating much-needed part-exchanges and have therefore led directly to real improvement for some dealers in terms of retail business,' says *Black Book*.

Over the coming weeks *Black Book* anticipates a potential shift in the 'uneasy balance' between supply and demand.

It says: 'This month is certain to bring substantial pre-registering as order books for many franchise dealers are woefully behind targets. September will also see franchise dealers focus away from used car business and back onto new while independent dealers will be waiting for this to deliver more part-exchange stock.'

Used car values rebound as stock shortages bite, says BCA

REDUCED supply into the used car market has resulted in a price bounce, according to BCA's latest analysis.

The figures show that, on average, values increased by over £250, with fleet/lease and nearly-new stock showing substantial month-on-month rises. However, demand for older, lower value dealer part-exchange cars was broadly flat, with just a £2 difference recorded from July.

Values across the board improved to £5,888 last month from the £5,633 recorded in July - a £255 increase that was equivalent to 4.5% rise. Year-on-year, August 2011 is marginally behind 2010, with a £17 difference over the period. Compared to two years ago - when the market was accelerating rapidly - 2011 is £345 or 5.5% behind.

Fleet values bounced for the first time this year, halting a run of six consecutive monthly falls. Month-on-month values improved by £222 to £7,222 in August, while CAP performance improved by over a point to 97.24%. Year-on-year values are behind by £113 or 1.5%.

Given a general shortage of stock during August, conversion rates also improved as professional buyers were active, with many buying early to offset the expected rises in demand for the best retail quality stock that are traditionally seen in September.

It is the third year running that August has seen average values improve over July, which suggests this is now an established market pattern. Performance against CAP 'clean' improved by around half a point to 96.1%.

BCA communications director Tony Gannon said: 'While August has been a welcome fillip for vendors, the longer term prospects suggest that volumes will rise from mid-September onwards. This traditionally exerts some pressure on average values and conversion rates and that could be even more pronounced this year. The continuing uncertainty surrounding the economy and the pressure on consumer disposable income will have a detrimental impact on the retail used car market.'

'While there has been some softening of market conditions over the summer months - as would be expected - vendors have been shielded from any real price pressure by the low stock levels. Demand for the limited supply has been just sufficient to keep the market balanced and healthy conversions have been achieved. However, as volumes rise significantly in the weeks following the registration plate change, there is no indication that demand will increase at a similar rate.'

He added: 'While the best quality stock - the condition one and two cars - will continue to attract a lot of buyer attention and achieve strong prices, it is the poorer presented vehicles that will inevitably begin to struggle. These vehicles need to be priced sensibly if they are to be sold should the market conditions begin to tighten.'

4x4 values increase as small hatchback values fall

VALUES of 4x4s have strengthened while values of small hatchbacks have decreased in all three sectors - fleet, dealer part exchange and manufacturer - according to Manheim Remarketing's latest market analysis.

In August while overall average values fell by 0.4% (£29) to £6,559, 4x4 values in the fleet sector increased by 3.3% (£369) to £11,424 and 4x4 part exchange values increased by 2.4% (£113) to £4,804.

Meanwhile values of fleet small hatchbacks fell by 3.2% (£144) to £4,311, dealer part exchange small hatchbacks fell by 2.5% (£47) to £1,811 and manufacturer small hatchbacks fell by 2.6% (£211) to £7,999.

Overall values in the fleet sector increased by 0.7% (£40) to £5,945 with average mileage at 61,182, average age at 49 months and the percentage of cost new static at 32%, dealer part exchange values fell by 4.1% (£94) to £2,212 while manufacturer stock values decreased by 1.1% (£130) to £11,386.

Examples of increases in average values for the fleet sector in August included medium family up 1% (£54) to £5,458, large family up 1.5% (£69) to £4,695, executive up 3.6% (£329) to £9,550 and mini MPV up 1.7% (£78) to £4,716.

Notable examples of decreases in average values in the fleet sector included superminis down 6.4% (£251) to £3,656 and compact executive down 2.9% (£226) to £7,590.

Mike Pilkington, managing director, Manheim Remarketing, said: 'We have witnessed some strong sales results through August in no small part due to the shortage of quality retail stock throughout the month. The demand for 4x4 stock has also started to move early this year with memories of the harsh winter of 2010 still obviously set firm in the minds of consumers and dealers alike. The outlook remains a cautious one with the traditional increase in stock levels anticipated and matched against steady, as opposed to buoyant retail demand.'

Marketplace remains 'challenging' as economic uncertainty continues

MARKET conditions are predicted to remain 'challenging' in the coming weeks as economic uncertainty continues, according to the National Association of Motor Auctions (NAMA).

Data from national members confirms that every year volumes start to increase from around the second or third week in September and peak in the first half of October just as consumer demand traditionally weakens. However this year the situation is likely to be exacerbated as demand may be adversely affected to a greater extent by the economy.

The summer months saw a drop in available stock from dealer and fleet vendors and demand for the limited supply has been just sufficient for average values to fall at a seasonally steady rate and with healthy conversions being maintained.

However, says NAMA, as volumes rise significantly in the weeks following the registration plate change, there is no indication that demand will increase over the same period.

All available evidence shows that values invariably peak in September and fall away month by month to the year end. In this context NAMA is advising against over-valuing vehicles during the autumn, or holding on to stock in the hope values might improve.

NAMA chairman Andrew Hulme said: 'Market conditions have been relatively stable over the past two months, despite the fragile confidence exhibited by consumers and wholesale buyers. That is likely to change significantly as volumes rise and buyers have a much greater choice. While well presented grade one and two vehicles continue to attract strong bidding, stock in grade three to five condition needs to be accurately valued in line with market conditions.'

NAMA vice chairman Tim Hudson added: 'As volumes rise, sellers know that it is vital to churn stock swiftly. Unsold and re-entered vehicles are an anathema to professional buyers and the NAMA data re-enforces the value in maintaining a strong and consistent conversion rate through changing market conditions.'

Small cars lead as low volume keeps lid on depreciation

SMALLER more economical cars are leading the field in terms of value retention, while used car depreciation is lower this summer than during the same period last year, according to latest data from CAP.

The most striking example of improved performance among three-year-old models is in the city car sector, where average depreciation between June and August this year was just 0.9% compared with 7.5% during the same period in 2010.

Superminis are also holding their value better than a year ago with average depreciation of 4.1% over the past quarter, compared with 8.3% a year ago.

It's the same story for lower medium (or small family) cars, which have depreciated on average by 3.5% when last year's figure was 6.4%.

This year's market is seeing prices bolstered by restricted used car volumes, says CAP. That is having the effect of balancing the negative impact of tough economic conditions and fragile consumer confidence to prevent the kind of used car values 'meltdown' seen when the credit crunch struck in 2008.

CAP's Mike Hind said: 'The CAP Used Car Price Index confirms that demand is generally strongest at the smaller end of the market and this has resulted in slower depreciation this summer.'

'With no economic recovery on the horizon it seems certain that smaller and more economical cars will continue to depreciate more slowly than 'petrol guzzlers' as running costs overtake image in the priority list for used car buyers.'

'The other significant factor influencing used car prices in general is relatively low volume, which is partly a result of the collapse in new car registrations over the past three years.'

Elsewhere, the luxury executive sector (BMW 5 and 7 Series and similar) actually experienced a 2.3% rise in values over the quarter under review. Meanwhile, there were average falls of more than 5% in the upper medium, small executive, executive and 4x4 sectors.

Arval makes 100,000th vehicle MotorTrade online sale

LEASING and fleet management company Arval has revealed that it has sold its 100,000th used car through its e-commerce platform, MotorTrade, which was launched in 2009.

MotorTrade now operates in 10 European countries, including the UK, having been first launched in Spain.

In its pursuit to develop online sales of its used vehicles, Arval will also launch MotorTrade in Brazil, Greece, India, Luxembourg, Morocco, Russia, and Portugal by the end of 2011.

Through MotorTrade, Arval offers a broad range of used vehicles, from 24 to 60 months old, covering all makes, all categories (passenger or light commercial vehicles) and all engine types (petrol, diesel and hybrid) to professional dealers.

The website facilitates sales 24-hours a day, seven days a week, with two purchasing methods: immediate sale at a fixed price, or online bidding. Every month, more than 7,000 vehicles are sold on the platform to automotive professionals.

Specifically on MotorTrade in the UK, Angela Montacute, operations director at Arval UK, said: 'MotorTrade is proving to be effective for Arval in the disposal of vehicles. The commission-free access that it gives to car dealers and broad range of used vehicles available is proving to be attractive and we expect this channel to continue to grow in the UK.'

£3m Mercedes-Benz sale at Manheim Auctions

THE latest Mercedes-Benz closed sale at Manheim Auctions, Leeds, was buzzing with buyers as 143 Mercedes-Benz and Smart vehicles were offered for sale.

The sale attracted almost the entire Mercedes-Benz franchised dealer network and generated £3 million with an average selling price of £21,588. Overall values for the sale were 111% of CAP 'clean' and 108% of Glass's Guide.

Star performers on the day included a 2010 A-Class A180 Avantgarde SE five-door with 15,000 miles which achieved 122% CAP 'clean', a 2009 C-Class C220 CDI Sport saloon with 29,000 miles which achieved 121% CAP 'clean', a 2009 Smart Fortwo CDI with 11,000 miles which achieved 120% CAP 'clean' and a 2010 B-Class B160 SE CVT five-door with 12,000 miles which achieved 107% CAP 'clean'.

Barry Peat, head of used car remarketing, Mercedes-Benz UK Limited, said: 'Given the challenging market conditions a conversion of almost 100% and an overall result against CAP 'clean' of 111% and against Glass's Guide of 108% was a tremendous outcome from our closed auction.'

New course to help motorists who break the law

MOTORISTS who regularly break the law may be eligible for a new driving course to improve their driving skills and reduce road crashes.

A pilot scheme has been launched by police in the West Midlands, West Mercia and South Yorkshire with

Drivers stopped by police for minor traffic infringements could be recommended for the 2¼-hour course with a driving instructor instead of receiving a fine or points on their licence.

‘It is aimed at people who come to the attention of police when their driving falls below what is normally expected of a competent driver,’ said Alan Prosser, manager of the National Driver Offender Retraining Schemes for the Telford-based TTC Group.

Police believe motorists will benefit from the short on road practical driving session when their driving errors can be corrected.

‘They will be able to talk about the incident with a trainer who can help them to improve their driving,’ said Prosser.

‘It is aimed at minor offences for people who have unintentionally broken the rules of the road and not had a collision. Everyone makes mistakes through lack of concentration or some people have simply forgotten parts of the Highway Code. This course is aimed at improving driving skills which will help reduce the terrible human and financial costs caused by a death or serious injury on our roads.’

The TTC Group also runs National Driver Alertness Courses, speed awareness courses and drink drive rehabilitation courses.

Dealer news

Dealers find carmaker relations ‘challenging’ in tough trading climate

DEALERS are finding their relationship with manufacturers challenging, according to Sue Robinson, director of the National Franchised Dealer Association (NFDA), commenting on the organisation’s Dealer Attitude Survey Summer 2011, which has seen the highest response from dealers.

‘The survey reflects [that] dealers are finding their relationship with manufacturers far tougher,’ she said coupled with tougher economic conditions and a more aggressive stance by manufacturers.

‘In our key question ‘how do you rate the value of holding your franchise’, Land Rover, BMW, Lexus, Audi and Nissan feature as the top five franchises. Land Rover has performed extremely well this Summer beating Lexus to the top spot in the rankings, leaving them in joint second place with BMW. The least valued franchises by respondents are Proton, Fiat, Mazda, Renault, Honda and SEAT.’

With the economic climate and market conditions still challenging, dealer profitability is of clear concern to the majority of networks, with a decrease to the all dealer average of -0.2 from 3.2 to 3.0.

This year has seen margins and company profits decline across many franchises. With the difficulties in the retail market, there appears to be uncertainty amongst dealers about future profitability, highlighted the NFDA. That reflects the uncertainty of the UK economic outlook with further years of slow growth forecast and poor consumer demand possible.

It is clear, highlights the survey, that the majority of dealer networks were dissatisfied with the standards their manufacturer sets them. A total of 62% of networks responded with a decrease in score, most notably Mazda -0.7 and Audi -0.4, with both falling below the all dealer average mark.

Dealer standards also appear to be an issue for Ford, Jaguar, Renault, Vauxhall and Volvo, all giving a downward rating of -0.4 and Lexus and Peugeot which fall by -0.3. Lexus however is in joint first position in the rankings table for standards their manufacturer set them, despite this decrease in rating.

The Nissan dealer network showed a significant increase of +0.6. Land Rover dealers are also more satisfied

However, partnerships with manufacturers appear to have deteriorated amongst some networks. When asked to score their manufacturer based on the partnership they have with them, 52% of networks scored their manufacturer lower than they did on the last survey. This is also proven by a drop in the all dealer average of -0.1 from 3.7 to 3.6.

Dealers, said the NFDA, were feeling that their relationship with their manufacturer is less of a partnership reflecting higher manufacturer demands, particularly with targets and standards. Dealers were also feeling that their manufacturers were imposing standards but were not taking into account the dealers' position, particularly in a tough market with reducing margins.

General motor industry news

New car sales rise for first time in 13 months

MONTHLY new cars registrations increased in August for the first time since June 2010 thus ending 13 months of decline - but the outlook remains challenging, according to the Society of Motor Manufacturers and Traders (SMMT).

New car sales in the month before September's registration plate change are admittedly small - likely to be the lowest monthly volume this year which tempers optimism of a surge in demand - but they increased 7.3% to 59,346 units (August 2010: 55,305).

In fact, the August 2010 market was the lowest on record and the 2011 outturn was still more than 20% below the 1999-2010 average for the month.

However, despite the August rise, new car sales for the first eight months of 2011 are 6.1% down on a year ago at 1,220,618 (2010: 1,300,413).

All three sectors of the new car market - fleet, business and private - contributed to the monthly rise

SMMT chief executive Paul Everitt said: 'August represents a relatively small share of the new car market and the September new 61-plate registrations will be far more important for vehicle manufacturers and franchised dealers.

'The September new car market is always important for the UK motor industry, accounting for around 17% of the full year's registrations. Consumers are nervous about the future, but with industry offering unprecedented improvements in fuel economy, competitive finance offers and a wide variety of new models, buyers will find there is something to suit every taste and pocket.'

With new car registrations almost 80,000 units down year-on-year, the SMMT says that given the downgrade in economic growth forecasts, the outlook for the new car market is set to remain challenging. As a result, the SMMT is forecasting the full year market to end on 1.93 million units, a 5% decline on the 2010 market and down from the current 1.95 million running rate.

The SMMT said that the sales growth in August reflected recovery within the private sector, which grew 10.7% last month, the first rise since June 2010. Segment sales last month totalled 24,572 (August 2010: 22,189) but year-to-date sales are 16.3% down at 513,346 (2010: 613,091).

By contrast the fleet market continued to grow in August and is up by 3.3% over the first eight months of the year. Sales last month rose 4.5% to 32,975 (August 2010: 31,543) with this year's volumes at 646,292 (2010: 625,434).

Meanwhile, business segment sales increased 14.4% last month to 1,799 (August 2010: 1,573) but annual

Most car segments showed growth in August, with the mini segment (up 34.5%) and the supermini segment (up 17.6%), showing the strongest gains and reflecting the revival in private sector demand

The Ford Fiesta was again the best selling model in the overall new car market in August and also holds that position year-to-date.

Hybrid charges past electric in battle of the eco cars

ALMOST 90% of people who might consider buying a more environmentally friendly vehicle would pick a hybrid rather than an electric car, according to a new survey.

Conducted on behalf of Manheim Auctions by One Poll, of 3,000 respondents
88% said they would rather own a hybrid with just 12% choosing a purely electric car.

Even though hybrid came out as the clear favourite, there are still concerns about overall costs of ownership.

Electric cars also came in for criticism in relation to their levels of sophistication and concerns about access to charging points, battery life and range.

The survey revealed that most people would be willing to pay around £6,000 for a second-hand hybrid vehicle which, based on current auction prices, would buy a four-year-old Toyota Prius or Honda Civic IMA.

‘There is a lot of talk and a lot being written about electric cars at the moment and there is no doubt that they do make a contribution to reducing emissions. But motorists seem reluctant to make the switch while they perceive that many fundamental questions remain unanswered. Hybrids are a proven technology but remain in limited supply and whilst this situation continues the second hand premium remains high for such vehicles,’ said Craig Mailey, Marketing Director, Manheim Auctions.

‘Also it shouldn’t be forgotten that there have been huge advances by manufacturers in reducing emissions and improving the fuel economy of conventional car engines in recent years.’

Tyre audits highlights 50% of drivers are risking driving licences

ONE in two British motorists are risking thousands of pounds worth of fines and potential driving bans on a daily basis, according to new research revealed by the HiQ fast fit network.

HiQ has conducted an illegal tyre audit across its network and claims that 42% of motorists are making journeys on dangerously worn tyres.

The biggest culprits were found in the Birmingham, the north east and Cheshire areas of the UK, prompting HiQ to issue a rallying call to motorists to wake up.

More worryingly, the results are significantly up from HiQ’s last audit in 2009, when 27% of motorists were driving on illegal tyres.

HiQ’s retail development manager, Farrell Dolan said that the results proved that despite years of highlighting the danger of bare, worn tyres, the safety message was still not getting through to drivers.

The fast-fit company highlights that:

- One worn or defective tyre could cost drivers a £2,500 fine
- Two tyre lengths could be added to their stopping distance at 50 mph in wet conditions
- Three points will be added to a motorists’ driving license for each tyre with a tread depth less than 1.6mm

HiQ centres are now providing free tyre safety checks for motorists until the end of the year.

Dolan said: 'To say we were shocked by our audit results is an understatement. We were staggered that thousands of motorists are sitting on an automotive time bomb.'

'Some vehicles we checked had three or even four defective tyres, which would amount to 12 penalty points and up to £10,000 in fines. It is that serious.'

'The prospect of penalty points to your licence, let alone the cost implications and safety element, is particularly strong and a fact that we hope will resonate with a number of people.'

Blue is Britain's favourite car colour

BLUE is the colour most drivers would choose for their car if they have a choice, closely followed by silver and black, according to AA/Populus research of 15,860 AA members reveals.

As new plated cars hit the forecourts in the last seven days, the AA expects to see an increase in blue cars. Brown was the least popular choice followed by gold and yellow. Red came fourth in the survey followed by grey, white and green in seventh spot.

AA president Edmund King said: 'Brighter coloured cars, which have been popular in the past when the economy was more buoyant, seem to have slipped way down the league.'

***What Car?* Green Awards go 100% carbon neutral with AGT**

AGT Investments (AGTI) is to provide the complete carbon offset of all emissions from the *What Car?* Green Awards 2011, which were due to be held last night (Wednesday, September 7) at London's Battersea Power Station.

AGTI claims to be the world's leading, and fastest growing, provider in the voluntary carbon offset market. It specialises in the sourcing, purchase and selling of voluntary emissions reductions carbon credits (VERs), supporting carbon-offsetting projects around the world.

Its sponsorship of the *What Car?* Green Awards 2011 covers not only the ceremony itself, but all guests, participants and sponsors' journeys to and from the function - making the 2011 awards truly green for the very first time.

AGTI co-chairman Thomas Knifton said: 'Carbon offsetting is increasingly becoming essential across industry, and particularly in manufacturing. We are to demonstrate to the British economy's biggest industry how easy and cost effective this can be with international experts like AGTI in your corner.'

People on the move

New chief executive for industry forum

NEW chief executive of the Society of Motor Manufacturers and Traders' Industry Forum is Dr Chris Owen.

The Forum is a world-leading productivity improvement and training business and since 1995 has provided support services to global companies across manufacturing industries, capitalising on its unique automotive heritage.

From October 10, Owen will take charge of the business - now in its 16th year of operation - calling on his experience in technology, product engineering and quality roles at Perkins Engines and as general manager

CAP appoints new sales and marketing director

ROB Powis is the new sales and marketing director at automotive sector data providers CAP.

He is one of the longest standing members of the business and brings to his new role a wealth of understanding of CAP's customers and the company's key market sectors.

Originally joining the CAP sales team 11 years ago, Powis spent five years specialising in the retail sector before becoming head of key accounts in 2005. He has spent a lifetime in the automotive sector, having joined CAP from dealer used car stock broadcaster AutoLocate.

Divers takes on top role at Midlands Truck & Van

THERE'S a new pair of hands on the wheel at Mercedes-Benz dealer group Midlands Truck & Van.

But dealer principal Jon Divers is no stranger to the three-pointed star - he spent the previous 13 years working for Mercedes-Benz UK in finance and fleet sales roles, rising to become the manufacturer's national fleet sales manager for trucks.

Now he's at the helm of one of the country's biggest and busiest commercial vehicle dealership groups - Midlands Truck & Van employs a staff of almost 200 who sell and support the award-winning Mercedes-Benz truck and van ranges, as well as Fuso Canter light trucks, from dealerships in Birmingham, Coventry and Wolverhampton.

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