



Lamborghini boss aims to strengthen ties with Bentley

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LCVs on track for sales surge

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Bernhard takes over VW brand



Bernd Pischetsrieder (right) has high hopes for Wolfgang Bernhard.

Waiting over, he will execute plan for Pischetsrieder

JENS MEINERS

AUTOMOTIVE NEWS EUROPE

Wolfgang Bernhard isn't afraid to shake up things.

"I am quick and focused and I like to cut the formalities," Bernhard told a VW employee newspaper last month.

The new head of the VW brand group told the in-house publication that diplomacy is not his strong point.

That's OK with Bernhard's boss.

VW group Chairman Bernd Pischetsrieder wants Bernhard to use his direct style to attack the VW brand group's weaknesses, which include:

- A bureaucratic and hierarchical corporate culture
- Slow processes, poor project management
- Too many high-cost parts made in-house
- Falling market share in China.

Appointed to the VW group board last November and on the payroll since February, Bernhard officially started as head of the VW brand group Sunday (May 1).

Be prepared

The delay gave Bernhard time to learn the company and employees an opportunity to get

to know him – its also allowed VW to prepare for the controversy Bernhard is expected to cause as he shakes up the staid culture of VW, making it leaner and more agile.

Another reason why he didn't get more control sooner was caution. Only a year ago, Bernhard was fired just two days before he was supposed to take over DaimlerChrysler's Mercedes Car Group.

He takes over control of the Volkswagen, Skoda, Bentley and Bugatti brands from Pischetsrieder, who can now focus on overall company strategy.

Like his counterpart Martin Winterkorn, head of the Audi brand group, Bernhard

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Cesarini scolds OEMs for 'poor' job following EU rule

PAUL McVEIGH

AUTOMOTIVE NEWS EUROPE

BRUNSWICK, Germany – The European Commission will force automakers to provide technical repair data to independent garages, said Brussels' auto industry regulator.

"We will do the job we have to do in this area," said Paolo Cesarini, who heads the automotive section of the Commission's competition directorate.

Brussels is investigating whether Toyota, General Motors, DaimlerChrysler and Fiat have fully conformed to EU regulations that require automakers provide technical repair data to independent garages.

Cesarini criticized automakers' "poor compliance" with the rules during a seminar for German dealers and repairers organized by Kaiserslautern Technical University and held in Brunswick (Braunschweig in German).

He warned that the Commission will clamp down on companies that misuse their market dominance to hinder competition.

"It is our most serious concern. We will pursue this with all the resources at our disposal."

Under European law companies interfering with free trade can be fined up to 10 percent of their worldwide annual revenue.

As part of its new block exemption rules introduced October 1, 2003, the Commission or-



Cesarini has warned automakers.

dered automakers

to pass on technical information about their vehicles to independent garages to encourage more competition in the repairs sector.

Manufacturers had fought to prevent the change since repairs are highly profitable for both automakers and their authorized workshops.

Toyota, GM, Fiat and D/C subsidiary Mercedes-Benz were criticized for overcharging for technical information in a report from Aachen University's Institut für Kraftfahrwesen (IKA) commissioned by Brussels. GM was criticized for its lack of cooperation with manufacturers of repair tools.

Toyota says it has made more than 1,500 repair manuals available online. "We think that with the launch of this website we are in compliance with block exemption rules," said Toyota Europe spokesman Etienne Plas.

GM spokesman Marc Kempe said of the study: "It's not an accusatory investigation. It's more of a fact-finding investigation."

– Dan Thisdell contributed

Porsche tops poll of Italian dealers

Fiat, Lancia, Alfa and all French brands score in bottom 16

LUCA CIFERRI

AUTOMOTIVE NEWS EUROPE

VERONA, Italy – German carmakers dominated Italy's second annual dealer satisfaction survey.

French and domestic carmakers continued to disappoint their Italian dealers. None of them scored in the top 16 of 32 brands surveyed.

The survey ranks only the best-performing 16 brands and not the bottom 16.

Porsche remained the franchise



Mini is No. 2 in Italy.

that dealers like best, although its satisfaction index slipped slightly to 3.60 from 3.75 in 2004. The survey ranks on a numeric scale with 5 being the top score.

Mini, which was unranked last year, jumped to No. 2 this year, barely edging parent BMW. Both brands finished with a score of 3.58, with Mini being a few thousandths of a point better. BMW's satisfaction

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Bosal and Delphi form global exhaust partnership

WIM OUDE WEERNINK

AUTOMOTIVE NEWS EUROPE

LUMMEN, Belgium – Belgium-based Bosal and Delphi Corp. today (May 2) will announce a joint venture that creates a new exhaust system supplier with a global reach.

The partners have formed a non-equity joint venture so they can use each other's manufacturing facilities and combine their specializations: Bosal for exhaust systems and Delphi for catalytic converters and diesel particulate filters.

"[Bosal Delphi] will be able to offer complete exhaust systems to OEMs," said Karel Bos Jr., CEO of Bosal International, at the Bosal headquarters here.

The combined revenue of the new venture is expected to be €690 mil-

Bosal Delphi's competitors

- ArvinMeritor
- CalsonicKansei
- Eberspächer
- Faurecia
- Tenneco

lion, including precious metals used in the catalytic converters.

"We already have won one [joint] contract," said John Fuerst, Delphi business line executive for exhaust emissions systems. He declined to identify the automaker.

Bosal's aftermarket exhaust system operations are not included in the venture.

Aftermarket sales provided €210 million of Bosal's €520 million revenue from exhaust systems last year.

"We may eventually benefit from

this venture by including Delphi catalytic converters in our aftermarket portfolio," Bos said.

But the partners expect the biggest advantages will come from combining engineering and manufacturing operations and helping each other enter new markets.

With worldwide sales of more than \$24 billion (about €18.6 billion) last year, Delphi is the biggest supplier in the US and No. 2 in the world to Germany's Robert Bosch.

"We are stronger in the US and Bosal in Europe, [so] we can jointly use our facilities and grow without the need for greenfield investments," Fuerst said.

Bos added: "We won't have entry cost in new markets because we can join the already existing infrastructures of our partner and leverage each other's experience. ANE

A return to limos



Photo: James B. Trece

During the rule of Chairman Mao Zedong, First Auto Works made limos for top Communist Party cadres. It does again. A redesigned Red Flag limousine dominated the FAW stand at the Shanghai auto show last month. The Rolls-Royce-size car has the Red Flag's traditional red-fin hood ornament and reverse-opening door handles.

- Coverage of the Shanghai auto show and Automotive News China Conference is on Pages 4 and 6.