

VW, Ford form alliance to build commercial vans, pickups in 2022

Detroit, United States

Volkswagen and Ford announced a new alliance yesterday to jointly develop commercial vans and pickups starting in 2022, in a bid to reduce costs in the increasingly competitive auto market.

The announcement came after more than six months of talks between the automakers which also included discussions about cooperation on autonomous and electrification technologies for cars of the future.

The American and German giants will join forces to develop commercial vans and medium-sized pickups as early as 2022. But the deal does not involve cross-ownership, according to a joint statement.

The companies also will "investigate collaboration on autonomous vehicles, mobility services and electric vehicles and have started to explore those opportunities."

VW CEO Herbert Diess said the alliance "will be a cornerstone for our drive to improve competitiveness."

Under the alliance, to be governed by a joint committee headed by the chief executives of the two companies, Ford will engineer and build medium-sized commercial pickups for both firms. Ford also will build large commercial vans for European customers and VW will develop a city van.

The city van would be designed for the European market, while the medium-sized pickup truck would be specific to South America, Africa and Europe, Ford said.



A Mustang Convertible is seen on its side at the Ford booth

Ivanka to help US choose candidate for World Bank

Washington, United States

President Donald Trump's daughter and advisor Ivanka will help the United States choose its candidate to lead the World Bank but she will not be the one, the White House said on Monday.

Jim Yong Kim abruptly announced last week that he would cut short his tenure as president of the Washington-based global development lender more than three years before his second term was to end.

Treasury Secretary Steven Mnuchin and White House Chief of Staff Mick Mulvaney "have asked Ivanka Trump to help manage the US nomination process as she's worked closely with the World Bank's leadership for the past two years," said Jessica Ditto, the White House Deputy Director of Communications.

However, Ditto said reports that Ivanka Trump "is under consideration are false."

London's The Financial Times reported on Friday that both Ivanka Trump and Washington's former United Nations ambassador Nikki

Haley were among possible US candidates to replace Kim.

Other names being floated include Treasury Undersecretary for International Affairs David Malpass and Mark Green, head of the US Agency for International Development, the newspaper reported.

Through an unwritten post-war agreement with Europe, the World Bank has always been led by an American while a European has always been in charge of the IMF.

The World Bank Board said on Thursday it would start accepting nominations for a new leader early next month and name a replacement for Kim by mid-April.



Where are the sedans?

US car buyers swerve away from compact cars, sedans

Detroit, United States

A persistent question shadowed all of the shiny new vehicles and highly-produced, glitzy debuts at the Detroit auto show this week: Where are the sedans?

Volkswagen was among the few to trumpet a new sedan -- those compact and mid-sized cars that shuttled generations of American children to school in the morning and soccer practice in the afternoon.

But despite its ubiquity in the suburban driveways and garages of the past, the vehicle segment's future is anything but certain.

The middle-class sedan -- as opposed to luxury brands and high-performance sports cars -- is hard to find this week on the Detroit auto show's floor, eclipsed by row upon row of giant trucks and SUVs.

"Car companies are acknowledging that the crossover, sport utility vehicle boom is continuing," said analyst Michelle Krebs of AutoTrader.

Detroit's Big Three automakers -- Ford, General Motors and Fiat Chrysler -- have gradually abandoned production of sedans for lack of profitability and lack of interest from consumers.

Sales of traditional cars are expected to plummet to 21.5 per cent of the US auto market by 2025, according to LMC Automotive. Last year, sedans and small cars accounted for 31.2pc of new-vehicle sales -- down from half only six years ago.

The abrupt tumble coincided with the revival of the US auto industry, a drop in gas prices and a decade of economic recovery in the United States.

Consumers flocked to larger SUVs and trucks, which became more and more luxurious and comfortable and increasingly gas efficient.

'Badly produced'

SUV sales rose 87pc since 2013. The "sports" utility vehicle -- now more likely to be used as the family car -- is expected to account for about 40pc of the North American vehicle market by 2025, according to LMC Automotive.

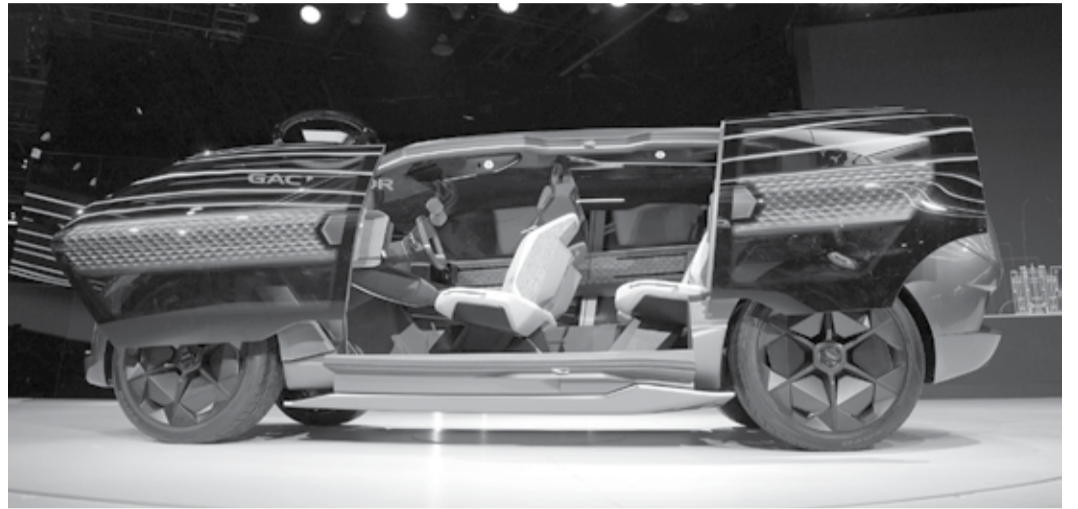
Meanwhile, once popular sedans such as the Toyota Camry, Honda Accord, Ford Fusion and Nissan Altima saw their sales dip in 2018 by double digits. And analysts predict the worst is yet to come.

To reduce overcapacity in the production of small cars and sedans, America's Big Three automakers downsized.

Fiat Chrysler's late CEO Sergio Marchionne in 2016 was the first to give up on the vehicle segment -- ending production of the Dodge Dart and Chrysler 200 to focus on Jeeps and RAM pickups. The company's stock price more than doubled in three years.

GM in November said it would end production of six models: the Cadillac CT6 and XTS, as well as the Chevrolet Impala, Cruze, Volt, and the Buick LaCrosse. Ford joined the fray. By 2020, it will no longer sell the Fusion, Taurus, or Focus in the United States. Aside from the Mustang sports car, it will only offer pickup trucks and SUVs.

"Ford loses an estimated



The GAC new concept car called the Entranze is viewed during day one of the 2019 North American International Auto Show



F1 driver Fernando Alonso unveils the Toyota Supra Super GT race car



The 2020 Ford Mustang Shelby GT500



The Volkswagen 2020 Passat booth

\$800 million a year selling cars in North America," said Bob Shanks, the group's CFO.

For consumers, one of the main draws of small cars and sedans used to be efficiency and cost. But that has changed.

Take the Chevrolet Malibu. The sedan averages 29 miles per gallon in the city -- practically identical to the larger Chevy Equinox SUV's 28 miles per gallon. The SUV also costs just \$2,000 more.

"Frankly, it's about usable space," said Ford Chairman

Bill Ford. "It's very clear that our customers are saying to us: we want more usable space, we want, in many cases, three-row seating and those kinds of things."

He argues, however, that if there is renewed love for compact cars, "we can adapt very quickly."

Asian automakers, like Toyota and Honda, believe that smaller cars and sedans still have their place in American factories and remain confident about their future here.

"It's still 5.2 million vehicles sold in the sedan market. That's still a great market globally. US sedan sales are still much larger than any markets around the world, and it's one we're committed to stay in," said Robert Carter, chief of North American sales for Toyota.

So why then the disappearance of so many sedans?

"It's not that sedans are dead," said industry research firm MotorTrend.

"Sedans that are poorly executed are dead."