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Style Desk; SECTST

By Design: Hammer Clamor

By DAVID NETTO

517 words

19 January 2014

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Late Edition - Final

3

English

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Every now and then an auction comes along which throws light upon hidden secrets of the design world. On Jan. 22, Christie's London will offer Michael Inchbald: A Legacy of Design, an auction of the varied estate of the talented (but in America, underappreciated) British designer who died last year at the age of 92. His career spanned nearly five decades and included many public and private commissions in the U.K. Among the most notable were the interiors of the Berkeley and Savoy Hotels and projects for the Duke of St. Albans and the filmmaker John Schlesinger ("Darling," "Marathon Man"). Inchbald executed his interiors in diverse styles, ranging from '60s groovy to richly baronial. Throughout all of his work, however, there are unexpected juxtapositions of objects and a deep understanding of the role of lighting to create atmosphere.

"He was fearless about combining," said his son Courtenay, a product designer. "He didn't care about being correct -- he was interested in the effect." Like his contemporary, David Hicks -- but unlike most decorators -- Inchbald was a family man, who was married (twice) with children.

One of Inchbald's most successful works was quintessentially British but not, strictly speaking, on British soil: the Queen's Room on the Queen Elizabeth 2 was the hub of first class social life on the last true ocean liner. Its futuristic lattice of ceiling lights is said to have inspired sets for Stanley Kubrick's "2001: A Space Odyssey."

The auction catalog's photography and contents offer a detailed tour of Stanley House, the stately and impressive townhouse in Knightsbridge which Inchbald used as a design laboratory. Even if you are not shopping, it's worth acquiring for your design library. There's a mixture of high and low here which is rare in its quality and theater and offers something "for every person and purse," to borrow the old **General Motors** line. Lot 75 is a pair of Louis XV-style chenets, estimated at \$820-\$1300. Lot 194 is an 18th-century wooden model of the Torre Dell'Orologio, nearly 8 feet tall, estimated at \$33,000-\$49,000. Lot 9, a pair of English iron and brass stools with leather cushions estimated at \$2000-\$2900, truly encapsulates the spirit of the house which Inchbald, a decorator of enormous range, made into a rich survey of baroque style, connoisseurship and wit.

In a wry but loving eulogy, Courtenay recounted an anecdote about how, while visiting the Berkeley Hotel in the 1970s, the Queen Mother got stuck in one of Inchbald's lifts. "When she emerged, the devastated hotel manager asked nervously if she was all right. 'Oh, I'm fine,' she said. 'It was such a nice lift to be stuck in.'"

Viewing of Michael Inchbald: A Legacy of Design begins Jan. 16 at Christie's London, 8 King Street, St. James. The auction begins Jan. 22 at 10:30 a.m.

This is a more complete version of the story than the one that appeared in print.

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DETROIT AUTO SHOW

Automobiles; SECTAU

Upbeat Again, but Not Overconfident

By LAWRENCE ULRICH

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1

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DETROIT -- Twenty-five years ago, the Detroit Lions' biblical trials of football futility coincided with a familiar economic slump -- the kind that often seemed to save its worst for Detroit.

Auto sales in 1989 were plummeting after an extended boom, helping to push the country toward recession. But the Lions hit upon a catchy comeback slogan: Restore the Roar. Defying logic and history, the team indeed turned things around, winning their division in 1991 and their first-ever playoff game under the three-decade ownership of William Clay Ford.

A new slogan -- Restored -- was bestowed upon the Lions, which took on special bathos with their inevitable collapse the next season.

At this year's North American International Auto Show, Restored might well blaze from banners in Cobo Center, a chest-puffing pep talk for Detroit's automakers, rebounding from recession or bankruptcy quicker than most anyone dared to dream, luring new fans and drafting stars for their lineups.

But in this city, the question always flutters in the air: Are **General Motors**, Ford and Chrysler truly, enduringly restored? Or will an ingrained losing behavior -- hubris, mismanagement, more nimble competitors -- drag the hometown team back to the cellar, the bust that has historically followed every boom?

The answer is an emphatic "no," said Mark Reuss, G.M.'s head of global product development.

"Things are fundamentally different," Mr. Reuss said, flanked by one of his babies that colorfully (specifically, yellow) amplified his point: the Chevrolet Corvette Z06, the roughly 625-horsepower offshoot of the standard Stingray, with the latter named 2014 North American Car of the Year at the show. The Chevy Silverado was honored as Truck/Utility of the year, giving G.M. a sweep of prestigious awards chosen by a panel of auto journalists.

And even as the industry roared back to post 15.6 million sales in 2013, the leaner, meaner G.M. could break even financially with industry sales as low as 10.5 or 11 million, Mr. Reuss said.

"Our footprint is very responsible now," Mr. Reuss said. We're running factories at about 105 percent capacity on two shifts, we're also selling about 50 percent cars, 50 percent trucks. If we have a downturn again, we're in a very different place."

While Detroit has steadily diversified its product portfolio, a traditional truck, the 2015 Ford F-150, dominated this show the way that Ford has dominated pickup sales for 37 straight years. And the F-150's calling card, a weight-slashing aluminum body that may represent a revolution in affordable vehicles, led the show's big trend: the breathtaking transfer of technology, in materials, alternative fuels, safety and digital gadgets, to mainstream models.

The Mercedes-Benz C-Class, which will most likely start around \$36,000, is replete with features from the \$100,000 S-Class flagship, including air suspension, pedestrian-spotting collision prevention system and semiautonomous driving functions. The Chrysler 200, a thoroughly reimagined version of a formerly forgettable car, offers a 9-speed automatic transmission in a car that starts at \$22,695. That's more gears than you'll find in a \$250,000 Bentley.

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The Audi Allroad Shooting Brake plug-in hybrid spotlights technology that will quickly make its way to production: A new form of Audi's quattro all-wheel drive uses an electric motor to power the rear wheels and a gas engine to drive the front wheels.

Car fans trekking to Motown to see it all for themselves can attend the show through Jan 26, where they will see showroom models and forward-looking concepts, including these:

ACURA TLX Acura's TLX concept aims to inject some adrenaline into the brand's unremarkable sedan lineup. Replacing today's TSX and V6-only TL, a production TLX will go on sale in the second half of 2014, offering a 2.4-liter 4-cylinder or an optional 3.5-liter V6 backed by a 9-speed automatic and all-wheel drive.

AUDI ALLROAD SHOOTING BRAKE Yet another effortlessly stylish Audi, the Shooting Brake design study -- a finely proportioned two-door wagon -- spotlights design cues that will turn up on the next-generation TT sports car. The Shooting Brake carries Audi's newest technology, including a "virtual cockpit" that replaces traditional gauges with a graphics-driven screen.

BMW 2 SERIES Replacing the stubbier 1 Series, the 2 Series coupe will be the least painful entry point to BMW's car lineup: \$33,025 for the 4-cylinder 240-horse 228i. Choosing the M235i, with roughly 315-horsepower, yields 0-to-60 m.p.h. excursions in well under five seconds, at \$44,025 to start. A wider, longer body translates into more rear-seat and cargo space. Sales begin in the spring.

BMW M3 AND M4 Say goodbye to the current M3's fever-pitch V8 and hello to a twin-turbo 3-liter in-line 6-cylinder with 431 horsepower (preliminary rating) in the M3 sedan and newly named M4 coupe. With cars like the Cadillac ATS breathing down its neck, the new M models look to reaffirm BMW's Ultimate Driving Machine credential. The cars arrive in June, with the M3 at \$62,925 and the M4 at \$65,125.

CADILLAC ATS COUPE Looking demure compared with the sci-fi angles of the CTS coupe, the smaller ATS goes on sale this summer. The two-door adopts the ATS sedan's 272-horse 2-liter turbo 4 and optional 321-horse V6. A 6-speed manual is offered only with the 4; a 6-speed automatic is available with either engine.

CHRYSLER 200 Today's 200, kept on life support while Chrysler struggled through bankruptcy, is mercifully laid to rest. In its place comes a sleekly modern 200, based on the Alfa Romeo Giulietta. The 200 rolls out of a suburban Detroit factory this spring, at \$22,695 to start with a 184-horsepower 2.4-liter 4. The 200 C model gets the 295-horsepower Pentastar V6.

CHEVROLET CORVETTE Z06 The Stingray is not fast enough for you? Strap on the Z06 and prepare for launch, thanks to roughly 625 horsepower from Chevy's new supercharged 6.2-liter V8. Dressed-for-battle body contours generate prodigious aerodynamic downforce to pin the Z06 to the pavement. The 7-speed manual transmission gets a useful rev-matching feature, and the Z06 will introduce, finally, G.M.'s 8-speed automatic.

FORD F-150 This Ford's burly pickup visage may look familiar, but it masks a groundbreaking structure: The body is aluminum, a lightweight material once reserved for exotic luxury and sports cars. Up to 700 pounds lighter than its predecessor, the 2015 F-150 may brush 30 highway m.p.g. with a new 2.7-liter EcoBoost turbo V6. Buyers also get the choice of a naturally aspirated 3.5-liter V6, a 3.5-liter EcoBoost V6 or a 5-liter V8.

GMC CANYON With truck-stop styling and a smaller, more economical footprint than G.M.'s full-size pickups, the midsize Canyon hits showrooms this fall. Buyers can choose a 193-horsepower 4 or a 306-horse V6, with a diesel coming for 2016.

HONDA FIT Already magically roomy inside, the latest Fit subcompact hatch adds five inches of rear legroom. On sale this spring, the made-in-Mexico Fit gets a bump to 130 horses with a new 1.5-liter 4.

HYUNDAI GENESIS Combining gadgetry with a grab bag of design cues and a smart new cabin, the redesigned Genesis, available this spring, will still undercut big-name luxury sedans, most likely starting around \$37,000 with a 3.8-liter V6. There's also a 429-horse V8 and a new all-wheel-drive system.

KIA GT4 STINGER Kia could fill a hole in its line by bringing this Lotus-like sport coupe concept to market -- and possibly blow away competitors like the Scion FR-S with a 315-horsepower turbo 4. The GT4 Stinger's old-school approach includes minimalist styling and no audio system.

LEXUS RC F The RC F confirms that Lexus is continuing to rejuvenate its conservative designs and take a few risks. The sinuous sport coupe with a monstrous chain-mail maw goes on sale late this year, along with a less powerful RC 350. (Both are offshoots of the IS sedan.) The RC F will move, swiftly, with a 450 horsepower V8.

MERCEDES-BENZ C-CLASS With the smaller CLA serving budget-constrained customers, the C-Class moves up to midsize proportions, yet an infusion of aluminum reduces weight by up to 220 pounds. Laden with technology from pricier Benz models, the C300 will cruise with a 208-horse turbo 4 or fly with the C400's 329-horse turbo V6. Both models arrive in September.

MERCEDES-BENZ GLA45 AMG One of several vehicles here that defied classification as a crossover, hatchback or wagon, the all-wheel-drive GLA45 will be the angry young man of the once-staid Mercedes lineup. The GLA's 355-horsepower 2-liter turbo was first seen in the CLA45 sedan.

MINI COOPER JOHN COOPER WORKS With stainless-steel mimicking paint that made it look like, well, a Mini fridge, the spicy JCW Concept -- based on the all-new 2015 Mini -- will inspire a production model later this year.

NISSAN SPORT SEDAN CONCEPT By next year, Nissan will pour much of this concept's styling into a new large sedan that may or may not be called Maxima. The concept's potentially polarizing design -- a so-called floating roof, daring shapes and a sweeping fastback profile -- offer hope for a more distinctive Nissan.

PORSCHE 911 TARGA If Rube Goldberg struck it rich, he would drive this Porsche, whose wildly complex, bubble-glassed Targa convertible roof was the talk of the show. In a nod to Targa models of old, the Porsche flaunts a hooplike roof bar executed in brushed aluminum. It arrives in June, itching for open-air pleasure.

SUBARU WRX STI The high-grade version of Subaru's trusty WRX, all grown up now, punches out 305 horsepower from a turbocharged 2.5-liter boxer 4. Hatchback fans are out of luck, with the rally-replica Subie offered only as a sedan.

TOYOTA FT-1 Toyota rolled out one wild-looking speed machine in the FT-1, which stands for Future Toyota. An adolescent's rippling dream, with gills and bulges, spoilers and splitters, the FT-1 concept -- if that dream came true -- might spawn a modern take on the dearly missed Supra.

VW PASSAT BLUEMOTION VW already sells a fuel-sipping Passat diesel, but the BlueMotion could challenge its mileage with a 150-horse 1.4-liter turbo 4 that cuts back to two cylinders at cruising speeds. VW pegs highway economy at 43 m.p.g. in a car that could reach production.

VW GOLF R Volkswagen's on-again, off-again Golf R is back for its most blazing run yet: 290 horsepower from a 2-liter turbo 4 distributed by all-wheel drive. This may be the market's ultimate hot hatch.

VOLVO CONCEPT XC COUPÉ Volvo's Chinese owner, Geely, might be taking notes on Volvo's sophisticated styling ideas -- or Xeroxing them in full. The shapely XC will guide the design of future Volvos, including the XC90 crossover coming to showrooms this year.

VARIETY: The Detroit auto show delivered treats for a diversity of customers with, clockwise from top, the Toyota FT-1 sports car design study, a redesigned Honda Fit hatchback and Ford's F-150 pickup, which dropped up to 700 pounds from the 2015 model. (PHOTOGRAPHS BY LARRY W. SMITH/EUROPEAN PRESS AGENCY; FABRIZIO COSTANTINI FOR THE NEW YORK TIMES; CARLOS OSORIO/ASSOCIATED PRESS) (AU1); **FLASH POINT:** Clockwise from top, among the introductions in Detroit were the Lexus RC F, Acura TLX design study, Audi Allroad Shooting Brake concept, Chrysler 200 and Porsche 911 Targa, whose roof puts on its own show. (PHOTOGRAPHS BY CARLOS OSORIO/ASSOCIATED PRESS; FABRIZIO COSTANTINI FOR THE NEW YORK TIMES; GEOFF ROBINS/AGENCE FRANCE-PRESSE -- GETTY IMAGES) (AU5)

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Ford Recalls Edge, Explorer and Vans; N.H.T.S.A. Upgrades Jeep Investigation

By CHRISTOPHER JENSEN

647 words

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English

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Ford recalled about 28,000 of its 2012-13 Edge crossover utility vehicles for possible fuel leaks on models equipped with the 2-liter 4-cylinder EcoBoost engine, according to a report posted on the National Highway Traffic Safety Administration website. The automaker said the fuel line pulse damper was not manufactured properly by a Michigan supplier, which could allow "fuel odor, seepage or a small fuel leak."

While that could cause a fire, Ford said it was not aware of any fires, accidents or injuries related to the issue.

The action includes about 5,500 Edges from the 2012 model year that were recalled that year for the same problem. Ford said it was concerned that replacement fuel pulse dampers put on those engines were also defective and might develop leaks, although it had received no such reports.

Ford's solution to the problem is to use a fuel line without the dampers. While such dampers can be used to make fuel flow more predictable, the soon-to-be-removed dampers are in a "low-pressure" location where their role was solely to help reduce noise, Kelli Felker, a spokeswoman for Ford, said in an interview. Consequently, she said, there will be no impact on the engine's function.

While most major automakers, including **General Motors**, Chrysler, Honda and Toyota, announce recalls, Ford typically does not unless it deems a problem is so severe that owners should stop driving.

In other actions:

â– Ford recalled about 300 Explorer sport utility vehicles from the 2011-12 model years in the United States because a replacement steering gear might be defective, according to a report posted on the N.H.T.S.A. website. Ford said the system had a software fault that could result in the steering locking up, making the vehicle impossible to turn. However, the automaker said, it was not aware of such a problem occurring. The replacement gears were installed after Sept. 13.

Ford described its recall as voluntary, but once a manufacturer is aware of a safety problem it must -- within five business days -- inform the safety agency of its plan for a recall or face civil penalties.

â– After resisting a recall for two years, Ford says it will recall about 4,500 of its 2011 full-size vans because bubbles may form inside the windshield, reducing forward visibility. The models covered by the recall are the E-150, the E-250, the E-350 and the E-450, according to a report posted on the agency's website.

Ford had asked the agency to be excused from the recall, saying the bubbles occurred only in hot weather and it had no reports of the driver's vision being completely obscured. The agency recently ruled that the automaker must issue a recall.

â– N.H.T.S.A. said it upgraded an investigation into a possible fire hazard involving the vanity mirrors on as many as 593,000 Jeep Grand Cherokees from the 2011-13 model years. The investigation into the fires began in August, prompted by three complaints from owners about fires near the vehicle's sun visors. In a new report, agency investigators say they have 52 reports about fires and are concerned about a possible electrical short involving the light in the vanity mirrors.

The agency said there were also three reports of injuries, although the seriousness of those injuries was not detailed. Consequently, the agency says, it is upgrading its investigation from a preliminary evaluation to an engineering analysis. The latter is more likely -- but not certain -- to result in a recall.

Chrysler engineers are conducting their own investigation as well as working N.H.T.S.A., Eric Mayne, a Chrysler spokesman, wrote in an email.

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DETROIT AUTO SHOW
Business/Financial Desk; SECT
Outside Convention Hall, New Cars Often Aren't on the Mind

By MARY M. CHAPMAN

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DETROIT -- Inside the North American International Auto Show, the cars are the stars and the razzle-dazzle is nonstop. But outside Cobo Center, where the exhibition opens to the public on Jan. 18, a bankrupt but sometimes surprisingly optimistic city goes about its business. Here are a few scenes from outside the show:

â– Among Detroiters, opinions about the auto show varied, often by the block. Downtown at the Rosa Parks Transit Center, the central terminal for the city's buses, Anita Rodgers was waiting Monday night for transportation from her job at a salon to her West Side apartment. Dozens of others milled around the soaring canopy; a handful whiled away their time shooting dice, passing around sips from a bottle in a brown bag. "That over there, that's another world," Ms. Rodgers said, gesturing toward Cobo Center. "I barely make enough to pay bus fare, let alone buy a new car."

A few blocks away, in the David Stott Building, a historic high-rise, Scott Nadeau was nursing a beer in the Skybar Lounge before heading home to the northern suburbs. The building had been vacant until it was bought a couple of years ago. The new owners put a bar on the first floor, and sometimes open the top floor -- the 33rd -- to wow patrons with its panoramic views of the city. The upscale lounge is the only business in the building. Mr. Nadeau, a lawyer who lived in Detroit until a decade ago, when he and his wife started a family, is bullish on the city's future despite its current woes. His family, which regularly enjoys downtown activities like riverfront biking, will attend the auto show. "I think Detroit's in a positive way now," he said.

In Midtown, an area bustling with development and new, mostly young, residents, Nick Harrington was adjusting the collar on his dog in front of the Butcher's Daughter, a contemporary art gallery. He said he was proud of Detroit's automotive heritage but these days he was more interested in alternative transportation. Last summer, he joined Slow Roll, becoming one of hundreds of cyclists who gather weekly for a miles-long ride through the heart of the city. "Besides, Detroit is distracted by the bankruptcy right now," he said. "That's what we're focusing on."

â– The carefully tended cars on display gleam, but around them the revamped Cobo Center shines as well. More than halfway through a renovation that will cost nearly \$300 million, Cobo has an expansive new glass atrium facing the Detroit River, along with a new ballroom and meeting spaces. An added food court offers tastes of Detroit, including Coney Island hot dogs and square slices of Detroit-style deep-dish pizza. A new lobby concierge desk includes leather-bound menus from venerable Detroit restaurants. The renovation is expected to be completed by early next year.

â– A private, four-year institution in Midtown, the College for Creative Studies, is a leading supplier of talent to many industries, including transportation, and has had a long affiliation with automakers. On Monday, college representatives and others gathered in Cobo Center to welcome the school's incoming provost, Sooshin Choi.

Mr. Choi, who has 30 years of design experience and previously worked for **General Motors**, Daewoo and Kia -- and most recently was director of the design school at the University of Cincinnati -- is taking a largely philosophical approach to his new post. "I see Leonardo da Vinci as my role model," he said. "He was the most creative guy in the world."

Thus, Mr. Choi, who has 47 automotive and furniture design patents, said he wanted to emphasize creativity in all of the disciplines at the college. "Automobiles are known for doing so many bad things, like polluting," he said.

"What about automobiles that can make our lives more enjoyable, create fewer problems? That takes real collaboration between designers and artists."

But creative solutions demand courage, Mr. Choi added. "The first woman to wear a short skirt, that took courage. Picasso's turn to Cubism, to presenting art three-dimensionally and becoming the most creative person in the world. That took courage. Instilling that here is a main focus."

â– On Jan. 12, the day before the North American International Auto Show opened to the news media, dozens of activists from the United Automobile Workers demonstrated across the street from Cobo Center. Organized by a group called the Autoworkers Caravan, the protesters chanted, waved American flags and carried placards denouncing, among other things, the proposed Trans-Pacific Partnership trade agreement and the threat to city workers' pensions resulting from Detroit's bankruptcy. They also called for banks to cover Detroit's debts, for the global defense of workers' rights and for the conversion of mothballed factories into green manufacturing centers.

Leroy McKnight, a production worker who retired in 2000 after 37 years with **General Motors**, protested in favor of full voting rights for retirees. Mr. McKnight said that because of efforts by the Detroit automakers to contain retiree health care liabilities, he has had to pay nearly \$1,000 annually in out-of-pocket medical costs since 2006. His message to automotive executives in town for the show: "Don't forget who builds your cars."

Melvin Thompson, who has worked at the Dodge Truck plant in suburban Warren, Mich., for 19 years, decried the two-tier wage system under which new workers begin at half the hourly rate of more senior employees. "My future is threatened by the fact that the union has been split by this system," said Mr. Thompson, who hopes to retire in six years. "It used to be that pensions were always protected by the people who hoped to get one. Now workers are pitted against each other."

Tammy VanRiper works an hour away, at a G.M. transmission plant in Toledo, Ohio. She said her wages were cut by \$5 an hour when she lost her skilled trades job at the Willow Run plant, now closed, west of Detroit. Now a production worker, she said she could not afford a vacation or a car for her 16-year-old son. "I'm a single mother who lost \$600 a month," she said. "So you do without."

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European Car Sales Ended Year on High Note, Sort Of

By DAVID JOLLY

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4

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PARIS -- European car sales ended 2013 on a strong note, raising hopes of a market rebound, despite another year of contraction.

The annual decline of 1.7 percent last year was much smaller than analysts had anticipated after a dismal start, and the December gain of 13.3 percent from a year earlier was the biggest monthly increase since 2009.

The European Union's new car registrations, a proxy for sales, totaled about 12 million vehicles for the year -- the smallest number since 1995, when the bloc had about half as many countries, the European Automobile Manufacturers' Association reported on Thursday.

Car sales have bounced back in the United States since the financial crisis and remained strong in China, but Europe has been battered by a punishingly high jobless rate. That rate is a hangover from the euro zone sovereign debt crisis, and a cultural shift has left young people less interested in driving than their parents' generation was.

"We believe the market bottomed last year and the worst is behind us," said Peter Fuss, of the Ernst & Young Global Automotive Center in Frankfurt. He estimated that sales this year would rise by as much as 4 percent.

Consumer confidence is improving, but remains weak, he said. And he pointed out that car sales had received significant "artificial" support, including from manufacturer discounts and trade-in incentives for older cars in Spain. "We'll have to wait for 2015 to see what true demand is," he said.

Even with a rebound in 2014, "the crisis will still be felt for a long time," Carlos Da Silva, an analyst at IHS, wrote in a research note. "To put it directly, we do not think that the E.U. market will return to its 2007 peak ... ever."

The association's data showed that Volkswagen, the largest European automaker, managed to hold the line with a slight decline in 2013, thanks to strong sales of its Seat and Skoda brands.

But PSA Peugeot Citroën, the Continent's second-largest carmaker, had a steady slide in sales. The French company is currently negotiating with the French government and Dongfeng Motor, a state-owned Chinese company, for a major infusion of capital to help it diversify beyond Europe and invest in new technology.

Its French rival, Renault, managed a small increase in sales, thanks to the runaway performance of its low-cost Dacia brand, which posted a 23.3 percent gain in 2013 -- by far the biggest increase of any brand in Europe.

Other strong gains were posted by Mazda and Jaguar, while Chevrolet and Lexus had among the steeper declines.

General Motors and Ford Motor had another tough year in Europe, even as their business improved in the United States and in other overseas markets. Fiat, the Italian automaker that is taking full ownership of Chrysler, posted a 7.1 percent decline.

There was significant variation between markets, as well. Britain's was the strongest of the major European Union nations, growing nearly 11 percent in 2013, but that had more to do with easy financing terms than the country's relatively strong economy. Spain, despite suffering from depression-level unemployment, managed 3.3 percent

growth on the basis of government-sponsored trade-in incentives. Sales in Germany, the engine of the European economy, slid 4.2 percent.

BMW's mainstay premium lineup was almost unchanged, but its overall sales dropped as its Mini brand faltered.

Mr. Fuss said a crucial question in the new year would be whether President François Hollande's new economic policy initiatives would bring down the French jobless rate and reinvigorate a market that shrank by 5.7 percent in 2013.

Philippe Houchois, head of European auto industry research at UBS in London, said it was hard to say just how much of the year-end demand reflected artificial support and how much was real demand.

"We don't really know how healthy the market is," Mr. Houchois said. But with annual sales 24 percent below the 2007 peak, he added, "it has probably shrunk enough."

Mr. Houchois said that the biggest potential recovery was in countries like Spain and Italy that had been particularly hurt by the financial and sovereign debt crises and where demand had fallen the most. If they bounce back, he noted, that would benefit companies like Renault and Peugeot that sell the types of cars that are most popular there.

A Vauxhall dealership in London. Sales were down for the year, but rose sharply in December. (PHOTOGRAPH BY OLI SCARFF/GETTY IMAGES)

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DEALBOOK
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Bailout Recovery

By WILLIAM ALDEN
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The Treasury Department said on Thursday that it had sold \$3 billion worth of its shares in Ally Financial, bringing taxpayers' stake in the auto lender below 50 percent.

The Treasury priced a sale of 410,000 shares of Ally at \$7,375 each, according to the statement, reducing the government's stake to 37 percent from 64 percent. Ally, the former financing arm of **General Motors**, received a \$17.2 billion rescue in the financial crisis.

With the latest sale, the government will have recovered about \$15.3 billion, or 89 percent of that bailout, the Treasury said. The government did not disclose the names of the institutional buyers that participated in the deal.

The sale, conducted as a private placement, helps resolve questions about how the government would dispose of its Ally stake. Ally had long been expected to hold an initial public offering.

On Thursday, the Treasury left open the possibility of an offering, saying the company might pursue "a public offering, private sale of its common shares, or other alternatives."

"This is a very positive outcome for Ally and for the U.S. taxpayer, and the strong investor interest is a testament to the significant transformation of the company," Michael A. Carpenter, the chief executive of Ally, said in a statement on Thursday.

In December, **General Motors** sold the last of its holdings in Ally, an 8.5 percent stake, through a \$900 million private placement.

Citigroup and Bank of AmericaMerrill Lynch served as the placement agents in Ally's sale this week. Lazard is providing financial advice to the Treasury.

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