



A Shinola watch with Mustang logo

Ukraine Crisis Casts Shadow Over European Vehicle Sales

By COLLEEN BARRY and JOHN HEILPRIN
AP Business Writers

GENEVA (AP) – Growing tensions over Ukraine have raised the specter of another slowdown in the European auto market, just as carmakers were beginning to count on a modest recovery from a six-year contraction.

Russia’s intervention in Ukraine has raised the possibility of sanctions against the country, which has been a key growth market for recession-battered European automakers. On the first day of the Geneva Auto Show last week, executives cast a wary eye toward the crisis.

“There is not a single doubt in my mind that if the situation in Russia and the Ukraine remains as tight as it is, or if it worsens from where we are, that it will dampen demand in western Europe,” said Fiat Chrysler Automobiles CEO Sergio Marchionne.

Barring a full-blown crisis over Ukraine, Marchionne said he expects to see a modest recovery, but mainly led by “extraneous factors” like fleet sales and not consumer demand.

Before the Ukrainian crisis began, analysts predicted European car sales would grow by 2 percent to 4 percent – which is still 3 million vehicles off the 2007 peak.

“There is always going to be a surprise out there. Ukraine is an example. You have to be flexible,” the CEO of Ford Europe, Stephen Odell, told journalists on the Geneva Auto Show’s opening press day.

Analysts Watch March for Sales Thaw

DETROIT (AP) – March is the month to watch for the U.S. auto industry.

Sales have been slower than expected so far this year. As the spring thaw begins, automakers will see if the slowdown was due to historic cold temperatures and snowfall – as many believe – or if there are deeper reasons for sagging demand.

“March will give us a sense of how real the recovery is going to be this year,” said Alec Gutierrez, a senior analyst for Kelley Blue Book.

Automakers entered 2014 expecting to sell more than 16 million cars and trucks for the first time since the recession. But so far, sales are on pace to hit around 15 million, which would be 600,000 less than last year. But Gutierrez believes sales will recover and reach 16.3 million for the year. The industry sold 16.1 million vehicles in 2007.

“We think there is still plenty of time left this year for sales to rebound and kind of get us back on that pace,” he said.

On March 3, GM, Ford and Toyota all reported U.S. sales declines for February. These automakers said the month started slowly but sales began to recover in the second half. If that momentum continues into March, fears of a sales slowdown may prove unfounded. U.S. consumers bought just under 1.2

With three plants and annual sales volumes around 120,000 units, Russia is important to Ford Europe’s goal of returning to profitability by 2015. Odell says the company is not giving forecasts for 2014 volumes in Russia “and frankly, given the volatility we have to wait and see.” The key going ahead, Odell said, is to have a plan but not be so rigorous in the face of changing realities.

The Renault Nissan alliance has the biggest market share in Russia thanks to its partnership with the Russian brand Lada, and operates four factories in the country. Last year, sales were 821,404 for a 29.6 percent market share.

“I think we have to be very prudent,” Renault Nissan senior vice president Christian Mardrus told the Associated Press. He said the speed of the changes made the situation impossible to predict.

Allan Rushforth, Hyundai Motor’s Europe chief, said the Korean automaker is current No. 2 in Russia and is intent on growing its business. “The current instability in Ukraine in our view really shouldn’t affect our long-term trajectory,” he said.

Toyota Europe chief Didier Leroy says he is in frequent touch with his team leader in Ukraine, where Toyota has 33 Toyota and five Lexus dealership, and watching developments in Russia, where Toyota Europe sold 172,000 cars last year.

“Things are moving very quickly,” Leroy said. “It is difficult for us to have any forecasts.”

million new vehicles in February, unchanged from a year ago. That follows a 3 percent drop in January – the first year-over-year decline since August 2010.

Ford, Shinola Celebrate Mustang’s Birth

Ford is teaming up with Shinola, a Detroit-based luxury goods manufacturer, to celebrate 50 years of the Ford Mustang with the release of a premium 46-millimeter wristwatch with Swiss movements.

Only 50 companies will be licensed to create products bearing the “Mustang 50 Years” logo, which was designed to celebrate the sports car leading up to its 50th birthday on April 17.

Bedrock Manufacturing Company purchased the Shinola trademark, first used in 1929 on a wax-based shoe polish, in 2011.

A year ago, Shinola moved into a 30,000-square-foot space in the historic Argonaut building in Midtown Detroit. Handmade watches and bicycles are now being crafted there. Shinola also offers other American-made products, including an artisanal leather collection, and journals created with paper from Michigan’s sustainable forests. Shinola will open a retail space in June.

In Shinola’s first offering in its online shop in March 2013, the store debuted a limited-edition watch – the Runwell.

It was an instant hit – much like the Mustang, which exceeded expectations and was an immediate success in 1964, its first year of production. To date, Ford

has produced and sold more than 8.5 million Mustangs.

“Mustang is one of the greatest icons in American manufacturing history,” said Jacques Panis, Shinola’s director of strategic partnerships.

“We reached out to Ford because we thought it makes perfect sense, as we share the same passion for craftsmanship and domestic manufacturing.”

“Like the Mustang itself, we want our licensed products to

convey an attitude of strength, passion and quality,” said John Nens, Ford lead for Global Brand Licensing.

“Shinola embodies all of these things and is a perfect fit to celebrate this special moment in automotive history.”

The 50-year commemorative waterproof wristwatch features Swiss movements.

The face of the quartz timepiece features the unique “Mustang 50 Years” logo.

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