

WANADA Bulletin #11-04

March 15, 2004

## Strong Four-Year Trend for Area Vehicle Sales 2003 Sales Near Record Level

Despite the turn of the century recession, the tragic events of 9/11, and the war in Iraq, the Washington area new vehicle market has demonstrated remarkable resilience and stability with a strong four-year trend at near record levels. Total new vehicle sales for 2003 came in at 315,269, a gain of 1.5 percent over sales of 308,734 in 2002 and nearly equal to record breaking 2000 sales of 317,435, according to Washington market figures compiled with R. L. Polk.

The four-year data also re-

veal continuing declines of domestic car sales and surprisingly strong sales of light duty trucks led by SUVs. Highlights include:

- **Import light trucks** represented the largest segment increase in the Washington market in 2003, with sales up 19.7 percent to 64,613. That represents a 43.8 percent increase from sales of 44,937 in 2000.
- **Import car** sales were off a modest 2.9 percent last year to 119,548, but remained relatively stable over the past four years.

- **Domestic car** sales took the biggest hit last year, with a significant 22.7 percent decline, continuing a steady decline from sales of 74,194 in 2000.

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## 2000 - 2003 WANADA Area Sales Report

Vehicles	'00 Sales	'01 Sales	'02 Sales	'03 Sales
	(% Change From Previous Year)			
Domestic Cars	74,194	61,813 (-16.7%)	57,540 (-6.9%)	44,490 (-22.7%)
Import Cars	118,199	119,602 (1.2%)	123,180 (3.0%)	119,548 (-2.9%)
Total Cars	192,393	181,415 (-5.7%)	180,720 (-.4%)	164,038 (-9.2%)
Domestic Trucks	80,105	77,777 (-2.9%)	75,923 (-2.4%)	86,618 (14.1%)
Import Trucks	44,937	49,542 (10.2%)	54,009 (9.0%)	64,613 (19.7%)
Total Trucks	125,042	127,319 (1.8%)	129,905 (2.0%)	151,231 (16.4%)
Total Cars & Trucks	317,435	308,734 (-2.7%)	310,625 (0.6%)	315,269 (1.5%)

Source: R.L. Polk Company, by contract with WANADA

## VA Dealer Board Cracking Down On Temporary Tag Violations

At its March 8, 2004 meeting, the Virginia Motor Vehicle Dealer Board (MVDB) emphasized the importance of cracking down on temporary tag violations. MVDB noted that a recent analysis showed that 77 dealers purchased more temporary tags than they had retail sales. During the meeting, MVDB considered two cases of misuse of temporary tags, and it imposed civil penalties. MVDB also announced a new policy designed to ensure greater security in the sale of temporary tags. The following steps will be implemented:

1. Tags will only be sold to dealers who provide a dealership check or a dealership credit card.
2. The person picking up temp tags must show I.D., and the identity of the person will be noted in the file.
3. The form for the purchase of temp tags has been revised and, as of April 8, only the revised forms will be accepted.

In addition, MVDB and its committees took the following notable actions:

- **The Internet Committee** agreed to recommend that eBay's method of charging fees for its services is consistent with MVDB's three-year-old Internet policy. The committee determined that the system does not involve illegal bird-dog fees because eBay charges a two-part flat fee and is not compensated for sales or

leads.

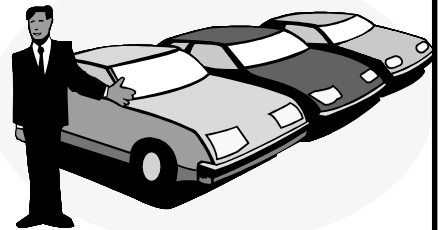
- **Dealer Licensing.** MVDB determined that it would *not* change the dealer application to require disclosure of civil verdicts for fraud or misrepresentation because the application provides sufficient information to determine the qualifications of dealers.
- **Administrative.** MVDB decided to change its computer administrator from VIPnet to DMV. With the new administrator, dealers will not be

charged a fee to register. MVDB hopes to encourage dealers to utilize online access for renewal and other matters.

During the course of the meeting, MVDB considered two cases in which a hearing officer had recommended suspension of dealers' licenses for violations, but MVDB itself failed to follow that recommendation after personal presentations by the dealers involved. This dramatically demonstrates the importance of appearing at MVDB to present the dealership's position on an issue being considered.

## Sales Report *(continued from page 1)*

- **Domestic light-duty truck** sales, however, finished strong last year with a 14.1 percent increase to 86,618, which bested record sales in 2000 of 80,105.
- **The percentage of import cars** sold in the Washington area continues to climb – an eye-popping 72.9 percent in 2003, up from 68.2 percent in 2002, 65.9 percent in 2001, and 61.4 percent in 2000. That compares with 2003 national car sales of 54.8 percent import brands and 45.2 percent for the Big 3 domestics, according to Automotive News.
- **Car versus truck sales** in the Washington area still favored cars in 2003: 164,038 cars sales vs. 151,231 truck sales, for a 52/48 percent split. But our love of trucks is fast approaching the national average of 53.2 percent trucks in



2003.

Final sales for 2001 were 181,415 cars and 127,319 light trucks, a 59/41 percent difference.

- **The best unit sales months** in 2003 were May, July and August, with sales of 27,821, 31,968 and 32,282, respectively. January and February were the lowest sales months at 23,537 and 20,003, respectively.

The December 2003 WANADA Area Report from R.L. Polk is enclosed with this issue of the Bulletin.



Competitors, instructors and sponsors (above) at the fourth annual Washington Area Automotive Technology Competition. And the winners were the Fairfax team of Josh Borders and Kevin Wang (shown below, right with instructor John Lawrence).

## Fairfax Team Again Tops Annual WANADA Auto Tech Competition

*Winners Advance to National Contest in NY*

For the second year in a row, a talented Fairfax County team has captured top honors in the fourth annual WANADA-sponsored Washington Area Automotive Technology Competition, held last week at Montgomery College's Homer S. Gudelsky Institute for Technical Education (GITE).

Kevin Wang and Josh Borders beat out very competitive teams from high schools in Montgomery County, MD; Loudon County, VA; Prince George's County, MD; and the District of Columbia. In addition to prizes awarded to all participants by the event's sponsors, Snap-On and BG Products, the winning pair won the right to represent the Washington area at the National Automotive Technology Competition at the New York Auto Show in April, where tech competition winners from around the country compete for over \$3 million in

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Tough competition was provided by the runner-up Montgomery County team of Tyler Witt and Gary King (middle, right) as well as DC team (left) of Daryl Jackson and Richard Ogunsiala, PG county team of Tyrone Ferguson and Joseph DeFayett (above, center), and Steve Grant (above, right) and Jason Hollingsworth of Loudon County.

**FOOTNOTES****SAVE THE DATE!!**

Don't let the IRS inherit your dealership!!!  
Come to WANADA's Succession Planning Seminar

**April 22nd 9:30 a.m. - 12:00 noon  
at the Bethesda Marriott**

Hear first-hand from the experts. More details in next week's Bulletin.

**WANADA Auto Tech Competition** *(Continued from page 3)*

scholarships and prizes.

What's the secret of success for this Fairfax crew? "A little luck, a lot of hard work and preparation, and genuine dedication," said the winning team instructor John Lawrence of Marshall Academy, which, together with Montgomery College, also operates the WANADA/Ford Apprenticeship Training Program. "The kids get all the credit," he added.

The competition featured teams of two automotive technicians from each school who were judged by a team of professional automotive technicians and instructors on five 20-minute stations that tested their ability with measuring tools using a micrometer; battery, alternator and starter testing; on board diagnostic troubleshooting on a 2004 Audi A6; alignment interpretations; and a 15-question, ASE-based written test prepared by WANADA.

The Audi was donated for use by Rockville Audi. And since the winning team is from Virginia, Audi of Alexandria has agreed to work with Wang and Borders to prepare them for the national competition in New York next month. The WANADA Bulletin will report on the results of that competition.

Thanks go to the dealer cooperation on both sides of the Potomac. WANADA also congratulates all the competitors – who represent the best in the area and the techs of the future for regional franchised new car dealers. To view more photos of the Washington Area Automotive Technology Competition click on <http://www.wanada.photoresponse.com>.

**Thought for the Week...**

A drunk wandered into the Philadelphia townhouse where the family and friends of the late Patrick Flanagan were mourning his recent and untimely demise. In the tradition of Irish wakes, the mourning went on several days, with many engaged in lighthearted revelry and reflection as they memorialized and celebrated Patrick's life. The interloper, who returned every night intoxicated, was soon made to feel part of the celebration. When it at last came time to decide where to bury Patrick, the mood at the wake turned somber and resolute as one by one each participant was called upon to give his input on appropriate grave sites. When it came to the interloper, he irreverently blurted out, "Bury him? Hell, why don't we stuff him and keep the party going!"

**Happy St. Patrick's Day**

**Enclosure**

2003 WANADA Area Report for Vehicle Sales, Dec., year-to-date.