

Industrial Relations in China Lead June's Automotive Reputational Risk Issues

Electric car manufacturer Tesla Motors breaks into the Alva Automotive Top 10

London, UK. 6th July 2010: Industrial relations in China was the major operational and reputational risk issue for automotive firms in June, according to the latest Alva Automotive In Sight Analysis. Toyota and Honda's ongoing labour disputes dominated the automotive issues agenda with over 30% of all automotive coverage.

Safety remained an ongoing area of concern with GM's recall of 1.5m vehicles due to fire risk taking over 15% of the automotive coverage, closely followed by Chrysler's recalls over sticky brake and gas pedals as well as wiring problems (14%).

In a positive step for the alternative car industry, Tesla Motors broke into the Top 10 automotive organisations making the news in June, claiming 7th place ahead of Nissan, Mercedes-Benz and Opel with coverage over its IPO.

The financial crisis is still dominating the thoughts of all in the industry and the government support around the globe for greener cars is coming under pressure, and will continue to do so. The ongoing upward wages pressure in China will continue and safety recalls, although losing public impact, will remain major issues for manufacturers over the coming weeks and months.

“Safety and recalls remained a major focus for the industry, reflected in our analysis of the automotive issues agenda in July” said Alberto Lopez-Valenzuela, CEO of Alva. “But the series of workers' strikes in China looks set to be the ongoing thorn in the Japanese manufacturers' sides. Workers are looking to gain more bargaining power and better pay and, combined with increased raw material costs, this is bound to push up production costs and put pressure on margins for manufacturers.”

Looking forward, Alberto said that early trends predicted that confusion over the future of electric vehicle incentives in the UK would be a major talking point in July with foreign investment in the UK in doubt because of a lack of clarity on the Government's subsidy position.

Each month, corporate reputation analysis company Alva reports on the biggest reputational risk issues in the Automotive industry using information collected from its daily Alva Automotive In Sight service.

For the latest updates on emerging Automotive issues follow Alva on Twitter @AlvaAutomotive

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Summary of Automotive Industry Issues in June 2010

Top 10 Manufacturers

1. Toyota- 9.27%
2. General Motors- 8.50%
3. Honda- 6.00%
4. Ford- 4.67%
5. Chrysler- 3.59%
6. Chevrolet- 3.44%
7. Tesla Motors- 2.42%
8. Nissan- 1.98%
9. Mercedes-Benz- 1.92%
10. Opel- 1.80%

Top 10 Issues

1. GM recalling 1.5m vehicles due to fire risk – 15.01%
2. Chrysler recalls vehicles over sticky gas pedals and brake and wiring problems – 14.27%
3. Toyota and Honda's labour disputes in China continues – 11.21%
4. Honda and Toyota's labour disputes in China – 10.59%
5. Honda's workers strike woes continues – 6.11%
6. GM withdraws pleas for public money in Europe – 5.59%
7. Ford jumps and Toyota plunges in key quality measure – 5.30%
8. Honda China parts plant restarts; workers threaten to go on strike again – 3.02%
9. German government rejects aid for GM's Opel – 2.96%
10. NHTSA investigates Ford Fusion, Mercury Milan for pedal entrapment – 2.58%

Issues Dominance

1. Corporate- 26.67%
2. Production- 15.03%
3. Safety- 12.70%
4. Employment- 11.46%

5. Brand- 8.54%
6. Sales- 7.28%
7. Sustainability- 5.20%
8. Regulation- 4.88%
9. Research & Development- 3.17%
10. Quality and service- 2.95%

About Alva

Alva specialises in analysing corporate reputation and reputational risk.

Our services equip organisations with the analysis tools to manage reputation and reputational risk in the same way as any other valuable business asset.

Alva's services are industry sector specific. Reputation analysis services for the Automotive and Energy and Utilities industries are already being delivered with services for the financial services communities following shortly, with 32 industry sectors planned in total.

Alva's founding team brings more than 50 years experience in media intelligence, business analysis and technology innovation, having worked at leading organisations such as Clifford Chance, Deutsche Bank, Datamonitor and PA Consulting.

Alva's Board of Directors consists of industry experts with extensive first-hand experience in managing reputation at PLC level. Alva Chairman Andrew Vickerman is the former Global Head of Communications & External Relations at Rio Tinto Plc. Serving as Non-Executive Directors are Alan Schofield, former special-adviser and press secretary to HM Government and Mark Rigby, Director of Corporate Affairs at Sainsbury's PLC.

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