

BUSINESS MAIL

EDITED by CLINTON MANNING and JOHN CRANAGE

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40,000 MOTOR JOBS 'SET TO BE AXED'

AT least 40,000 jobs will be axed in the British motor industry during the next 12 months, a shock report claimed today.

A massive sales slump will leave a devastating trail of destruction, the Society of Motor Manufacturers and Traders warned.

And the organisation said much of the blame for the catastrophe would lie at the Government's door.

About 28,500 jobs were lost in the industry during the past year as British sales

By CLINTON MANNING

plummeted by up to 30 per cent.

But the SMMT predicted that worse was to come as increased taxes introduced in the Chancellor's March Budget crippled sales still further.

It forecast 15,000 job losses among British car manufacturers and component suppliers in the next 12 months.

And it claimed that 25,000 workers would lose their jobs at car showrooms through-

out the country.

The SMMT's research showed that British sales were almost a third down on the record levels of two years ago.

Even the recent price war and widespread introduction of incentives like interest-free credit would not be enough to reverse the trend, it warned.

The SMMT said that until now manufacturers had been able to offset the worst of the home crisis by boosting sales abroad, but it warned that many of these markets could soon dry up.

Power giants team up

EAST Midlands Electricity has joined a £7 million consortium aiming to build private power stations around the world.

The Nottingham-based distributor, whose area includes Coventry and parts of Warwickshire and Staffordshire, has taken a 1.9 million, 27 per cent stake.

It has joined five other leading European groups, including Electricite de France and two Spanish power companies, to form Independent Power Generators.

East Mids chairman John Harris said: "IPG has been formed at a time when the electricity industry around the world is being re-structured."

He said partners had a wealth of experience to develop clean and efficient power generation.

Homes misery hits Abbey

By JOHN CRANAGE

ABBEY National boosted half year profits by £28 million, despite soaring mortgage arrears and the possible £10 million cost of helping stricken BCCI customers.

The dire condition of the housing market was highlighted today by the fact that Abbey has set aside £88 million to cover bad debts in the six months to the end of June.

This is almost four times more than the £16 million provision for the same period last year, and £39 million of it is earmarked to cover mortgage defaulters.

Losses on unsecured loans will

cost Abbey an estimated £15 million, and it could have to pay out £10 million under the Depositors' Protection Scheme as a result of the BCCI collapse.

The bank told shareholders today that customers falling behind with their mortgage payments shot up from 4,711 at the end of 1990 to 7,094.

But there are signs that the rate of increase in arrears is slowing following four interest rate cuts this year.

Another £8 million has been set aside to cover losses at the bank's house building division. Losses at its estate agency business were cut from £9 million to £7 million.

Overall profits rose to £908 million at the half way stage, compared with £280 million last time.

The Abbey was today stressing it was making progress, despite the recession.

70 lift jobs axed

NEARLY 70 jobs have been lost after a Black Country lift maker fell victim to the ups and downs of business life.

Falcon Lifts of Kingswinford, Dudley, has crashed less than a year after a management buy-out. It was hoped the deal would safeguard the jobs of 97 employees at the firm, which made passenger lifts for nursing homes, hotels and office blocks.

"The firm has ceased trading. The financing of the company was inadequate for its needs," said Frank Coe, a Dudley firm of accountants.

Falcon chairman Jon Rudge led a management team which bought the firm when its parent company, Canada-based Mediquip, collapsed last October.

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Business saved

A BIRMINGHAM businessman today emerged as the white knight riding to rescue a crashed Midlands electronics firm.

And the deal means an 11th-hour reprieve for 38 workers at Virgin Circuits (A and E) in Newnham, Shropshire who were facing a future on the dole.

Richard Brosch, who lives at Little Aston, near Sutton Cold-

field, has agreed to buy the business which went into liquidation earlier this month.

And he says orders are flooding in fast.

Mr Brosch declined to say how much he paid for the business which will trade as A and E Circuits, but he said it was "less than six figures".

The report comes a fortnight after Rover announced that it was axing more than 1,900 jobs and laying off 10,000 workers at its factory in Longbridge, Birmingham.

And it will make depressing reading for an industry desperately hoping for a life-saving J-registration jamboree starting tomorrow.

Special network unveiled

REDDITCH based AT&T Intel, one of the UK information technology industry's biggest success stories, has unveiled a multi-million pound expansion plan.

Carpet profits are threadbare

THE Kidderminster carpet maker Victoria made less of a pile than usual last year, thanks to the recession.

The firm earned £1.9 million in the 12 months up to the end of March - £123,000 less than the previous year.

"The reduction in profit has been less than might have been expected in what has been a very difficult 12 months

for the carpet industry," chairman John Bettinson said.

Sales were down more than £2 million to £36.7 million, but Victoria was able to hold the dividend at 4.5p a share.

Investing

Mr Bettinson said trading was still depressed in the UK and Australia, but the firm was investing in the future.

BANKS & HP			POP SHARES			£ ABROAD			MOTORS AIRCRAFT		
Barclays	479	+2	ABBEY NAT	301	-2	AUSTRALIA (Dollar)	2.10		Abbey Panels	470	
Lloyds	367	+4	BAA	437		BANGLADESH (Taka)	68.00		BSG Int'l	447	+1
Midland	216	-4	BFT AIRWAYS	173		CYPRUS (Pound)	0.78		Evans Halshaw	235	+1
Natwest	320		BRIT GAS	270	xd	FRANCE (Franc)	6.77		Kwik Fit	131	xd
BREWERS ETC			BRIT TELECOM	699	xd	GERMANY (Deutschmark)	2.84		Las Service	136	-2
Allied Lyons	564	+4	BRIT AERO	568	-1	GREECE (Drachma)	312.00		Lucas	138	-2
Bass	919	+2	BRIT STEEL	121		INDIA (Rupee)	42.70		Outokumpu	54	+2
Bulmer	251	xd	EUCROTUNNEL	455		IRELAND (Punt)	1.08		Smiths Indus	299	+1
Cresant	333	-1	MFC	179	xd	ITALY (Lira)	2155.00		Westland	113	
Guinness	988	-6	ROLLS ROYCE	155	+1	JAPAN (Yen)	222.00		BP	344	-2
Wolv Dudley	521		SEVERN TRENT	330	-1	PAKISTAN (Rupee)	40.00		Burmah Castrol	572	-2
BUILDING ETC			TSB	144		PORTUGAL (Escudo)	246.00		Shell	538	+4
Barrat Devel	39		MDLAND ELEC	204	-2	SPAIN (Peseta)	178.00		Ultramar	274	+4
Baggeridge	85		EAST MID ELEC	195	-2	US (Dollar)	1.58		Aspen Comm	123	-2
Baker	218		GOLD FIX			383.25		Manitex	201	+1	
Blue Circle	266		SILVER SPOT			246.00		Reid Int'l	458	+1	
Bryant Gp	110	-1	Folks Group			55		Revisors	773	xd	
Cosham	110	-1	GKN	348	-4	Gen Acctants	514	+1	Thornton	745	+1
Douglas Rim	400	xd	GLC	236	-3	Guardian Ex	184	+1	United News	370	+1
Galfrid	83		Hamson Ind	321	+1	London & Man	324	+1	National Power	154	
Lain J	254	-1	Hawker	594		Legal & Gen	438	+2	Powergen	159	
McAlpine Alfred	246		Hill	248	-2	Presidential	249	+1	PROPERTY		
Newman Tomks	147		Livrad	397	+1	Royal	398	+1	Brit Land	295	
RMC	688		McAlpine	280		Sun Alliance	388	-2	Five Oaks	31	-1
Redland	564	+1	Metalex	92	+1	Sun Life	1073	-2	Laing	289	-1
Rugby	185	-3	Mosaic Inv	221		MINES-FINANCE			Land Secs	509	-2
Tarmac	218	-1	800 Group	46	+1	De Beers	119		MIEFC	479	-2
Turfill	39	-1	Simon	321	+2	Lorho	249	xd	Mucklow	123	
Wimpey	170	+2	Ti Group	551	-4	RTZ	593		Saville Gordon	37	
Woolsey	412	+2	Torkins	384	+2	MISCELLANEOUS			Stough Estates	283	
CHEMICAL			Verson Int	34		Alumasc	258	+1	St Modwen	18	
BTP	215	-4	WB Industries	5	xd	BTR	417	-5	Trafalgar House	213	-4
Canning (W)	138	-1	Whesey	30	xd	Burford Int	368		SHIPPING		
Fisons	495	-1	Wylo Group	47		Bowater Inds	659	-2	P & O	588	
Glass	1295	+18	ENTERTAINMENT			British Fittings	160		STORES		
ICI	1335	+3	Central TV	795		British Vix	222	+1	Beattie 'A' Ord	133	+1
Leigh Int	318		Madrola	275	-2	Coosoon Group	111	-1	Boots	419	-2
Rentlax	340	+2	Midland Radio	85	-2	CRT Group	104	xd	Burton	35	+2
Welcome	721	+3	FOOD CATERING ETC			Delaney	8		Kingfisher	134	+2
ELECTRONIC & RADIO			Aeda	92		Delaney	8		GUS 'A'	1333	+1
AB electronic	113		Argyl Group	312	+2	Elbel	17	xd	Marka & Spencer	288	+1
ACT Grp	115		Ass Br Food	542	-1	Fenner	109		Next	35	+1
BICC	458	-2	Cardbury Sch	269	-2	Fine Art	322	+1	Rainers	139	-1
Cable & Wire	578	+3	Forst	274		Fraser & Neave	294	-1	Sears	657	-1
Chloride	3		Fort	274		High-point	305		St John's	46	-2
Dowd Mills	57		Grand Metro	787	+5	Isotrazon	41		Storehouse	115	
Ferranti	9		Isotrazon	41		Isotrazon	41		T & S Stores	202	
GEC	183	-1	North Foods	507	-8	Pilkington Br	154	-1	Wickes	46	
Logica	201		Quests Moat	80	+1	Rank Drg	678	-2	TEXTILES		
ENGINEERING			Quintess	50	-1	Rackit G	294	-1	Courtauld Tex	384	-2
Ash Lacy	119		Sainsbury	375	+4	Saatchi	177		House of Loret	103	
BH Group	332	+1	Tate & Lyle	397	+1	Securcor	658		Larnot	332	-2
Brassey	12	xd	Unilever	275	-1	Smith & Nephew	137		TOBACCO		
Brown Ind	124		Unilever	275	-1	Smiths Beachm	815	+5	BAT Ind	740	-1
C.I. Gp	30		Uniged	295	-1	T & N	154	+2	Rothmans Int	1068	-9
Cham Hill	94		Uniged Biscuit	391	+2	Wassall	165	+1	INSURANCE		
Cohen	475	-5	BRITANNIC			838					
Concentric	248										
Cooper (Fred)	84										
Delta	407	-3									
Dowdy Group	186	xd									
Excabur	43	xd									

HI-tech

The firm is investing in a network of regional centres to house the computers and other equipment which connects its customers to its data network.

A total of 29 will be opened this year, and a further 60 are planned for 1992.

Cheers to pub deal

A MIDLAND computer services firm is helping to keep 20 million pints of beer a week flowing at Whitbread throughout the country.

DCS Group at Leamington Spa has won a £500,000 contract to help the brewery's Cellar Services subsidiary to computerise its operation.

Cellar Services supplies pubs, clubs, restaurants and hotels with everything from beer pumps and drinks dispensers to cooling systems and ice makers.

Stock control

The system, based on an IBM computer, will be installed at Whitbread's southern data centre in Luton and linked to 13 depots throughout the country.

The Whitbread contract follows a recent £500,000 order to install the same stock control system at Yamaha Motor Europe's new £25 million warehouse and distribution complex in Holland.

UP 0.8 TO 2596.4	FT-SE 100	DOWN 1.3 TO 2010.5	FT 30 INDEX
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