

DuPont's Kullman Calls for Reducing Fossil Fuel Needs

By Stefanie Carano
Staff Reporter

As CEO of DuPont, Ellen Kullman is always having to look to the future, considering what will be important to the various businesses her company is providing its advanced scientific technology.

She's considered to be a champion of market-driven engineering and was invited to speak at a recent meeting of the Detroit Economic Club at the Westin Book Cadillac in Detroit.

In automotive, Kullman said DuPont is currently providing the need for advanced automotive battery technology, as the company recently developed a nano-fiber-based polymer separator that boosts the performance of lithium-ion batteries.

"We're really into the early stages of development," Kullman said. "It's a separator, so it provides the isolation. And it's a nano-fiber-based substrate, so it's very thin, but very long fibers."

"So, that's an area we're just in the beginning on. A lot of interest, a lot of people in these research agreements we're working on, so we'll see where that goes over the next couple of years."

She said that as head of a company with a history of seeing possibilities when they came along, she saw that DuPont recognized there is now tremendous opportunity for its industry.

There are currently four recognized global trends that Kullman said create an opportunity and a critical imperative for how the company will focus its science.

"They really complement where we are today in our science of constraints," she said. "So, as of today, three-quarters of our \$1.5 billion a year in research and development spending goes directly toward those trends," Kullman said.

All of the trends revolve around conservation as the world's population grows. Kullman said protecting people and the environment is going to be important.

"Sometime this year, the

global population will have 7 billion people and, by most accounts, it will have 9 billion by 2050, and that kind of population is going to have tremendous stressors on the world.

The U.N. also estimates that of the 9 billion people by 2050, close to 8 billion of them will live in what we consider now to be developing economies, Kullman said.

One megatrend of particular relevance to the auto industry includes the need to decrease dependence on fossil fuel. She said reducing the dependence on these resources doesn't mean eliminating their use altogether.

"We're going to have to use every drop of oil as efficiently as we can," she said. "And I believe that by successfully reducing our dependence on these fuels, it'll spark creative solutions that will also spark business growth around the world."

Kullman said the auto industry's impact on consumption and energy use, infrastructure development and lifestyle is without parallel.

"We are very proud to have been a major player in the automotive industry from the very beginning," she said. "When we look at the automotive industry today, we see where changes are occurring and how we can participate, and most of them fall right in line with our goal to reduce dependence on fossil fuel."

She said there are several points where DuPont intersects with the automotive industry's capability.

"There are ways to reduce fossil fuel and cost as well," Kullman said. "And part of that list includes things like these products and services that do contribute to sustainability, eco-friendly technologies like polymers that are made from renewable materials."

She said her company is currently a leader in technology for biofuels – something even the military is coveting.

"They represent currently a global market space of about \$50 billion," she said. "Ethanol is fine, but there's a

lot of pressure on food sources. So, cellulosic ethanol is coming, and is a great deal, and there are other molecules that have higher energy efficiency than ethanol as well."

Kullman said cellulose-derived ethanol, which comes from wood, grasses, sugars and other plants, will have an increasing role in biofuels from non-food sources.

She added that there is also a need for infrastructure-compatible biofuel.

"Ethanol is not infrastructure-compatible," she said. "There are other molecules that are in development, one specifically called bioethanol that is infrastructure-compatible and doesn't have that energy degradation that ethanol has," she said.

Kullman said she believes the internal combustion en-



DuPont CEO Ellen Kullman briefed the Detroit Economic Club about energy trends.

gine will be around for a long time to come.

"What we put into it with efficiency will matter enormously," she said.

Civic Leaders Continue Trade Missions to China

By COREY WILLIAMS
Associated Press

DETROIT (AP) – Wayne County Executive Robert Ficano and more than two dozen business leaders spent nine days wooing companies in China, planting seeds that could sprout into much-needed Michigan jobs.

It was Ficano's sixth trade mission. His seventh trip will come in 2011 when he and the delegation returns to China to nurture contacts made this year.

From the governor's office to the county level and now to Detroit City Hall, elected and business leaders are spending time overseas – to bring jobs back home. Gov. Jennifer Granholm returned last month from a weeklong trade mission to France and Sweden.

A delegation from Wayne County was due back this weekend after nine days with Ficano in China.

Mayor Dave Bing also was scheduled back in Detroit following a week in Italy.

Private money paid for the costly trips, putting no strain on county and city budgets, or pinching taxpayers for the

cost.

"It's building relationships," Ficano said Friday. "You can win in two ways. You bring work back over – you produce jobs. Companies, many times, get contracts to do the work in Michigan and hire people in Michigan."

A 2009 mission to China bore fruit this fall with a Chinese manufacturer's plans to open a research and development center next year in Plymouth, west of Detroit. The investment by ChangAn Automotive will bring 100 engineering jobs and put the company closer to Ford Motor Co., one of its clients.

"It's a business of patience and long-term commitment," said Birgit Klohs, president and chief executive of The Right Place, Inc., a private-public partnership for economic development in the Grand Rapids area.

"You do not go to China once and expect they all will come," Klohs said. "You have to be consistently building relationships and eventually the projects will come."

Klohs said she and a delegation of business and community leaders make about three overseas trips each

BorgWarner Earns Award For Turbocharger Quality

The BorgWarner Turbo Systems facility in Asheville, N.C., has been awarded its second bronze-level certification from OEM Caterpillar, Inc.

As part of Caterpillar's Supplier Quality Excellence Program (SQEP), the certification recognizes BorgWarner's commitment to providing exceptional service, quality and delivery performance.

Caterpillar's SQEP program involves a rigorous review of supplier processes. It attempts to expand on International Organization for Standardization (ISO) and Technical Specification (TS) requirements to drive a zero-defect mentality by collaborating with suppliers on process and product improvements.

BorgWarner supplies turbochargers to Caterpillar for a wide range of engines used in agricultural, construction, mining, marine, industrial and on-highway applications.

BorgWarner Turbo Systems is a leading global supplier of turbochargers for diesel- and gasoline-powered passenger cars, light trucks a commercial vehicles.

A pioneer in turbocharging technology, BorgWarner Turbo Systems continues to lead advancements in the industry with innovations designed to improve fuel economy, reduce emissions and optimize vehicle performance.

BorgWarner, Inc. is based in Auburn Hills and has customers around the world.

year. This year, they were in Germany and Spain.

More than 70 foreign companies are doing business in west Michigan, bringing about 4,000 jobs to the region, Klohs said.

Despite one of the worst economies in the nation and an unemployment rate higher than that in most states, foreign businesses are focusing on Michigan's strengths, Klohs said.

"Even during the last years of difficulty in this state, we still get companies to come here," she said. "We have a good labor force, outstanding engineering talent and quality universities."

Ficano said the trade missions he's been a part of have helped bring about 40 companies to the state and southeast Michigan and "probably well over 1,000 jobs."

While in Turin, Bing and officials with Fiat discussed partnerships related to the Italian automaker's presence in North America, mayoral spokesman Dan Lijana said.

"He is looking at Turin, specifically, because in many ways it's similar to Detroit; in population, history and challenges," Lijana said. "The mayor is taking a look at how

their revitalization is already well under way."

Earlier this month, Granholm said in a weekly radio address that 12 overseas missions she's taken since 2004 have resulted in investments of nearly \$2 billion into the state, and 20,000 new and retained jobs.

Granholm, a Democrat who couldn't seek re-election due to Michigan's term limits law, most recently visited South Korea.

South Korea's LG Chem plans to build a new electrolyte production plant in Holland, near its \$303 million battery cell plant. The company is supplying the battery for the new Chevrolet Volt.

Companies in South Korea, China and India are becoming large enough to have a presence in North America, Klohs said.

"India and China are the hotspots," she said. "We're looking for them to build engineering offices here and eventually plants. You have to have countries that have robust economies that need another continent to supply their customers."

Critics have said that the success of these trade missions can be hard to quantify.

U-M Economists Foresee National Recovery in '12

By KATHY BARKS HOFFMAN
Associated Press

LANSING, Mich. (AP) – In a good sign for a resurging General Motors, University of Michigan economists are forecasting a climb in motor vehicle sales over the next two years that should help bolster automakers' fortunes.

But don't look for a strong economic surge just yet. The nation's recovery will remain sluggish next year and won't really accelerate until 2012, University of Michigan economists say in their annual national forecast, which they released Thursday.

"Employment is expected to increase in every quarter of the forecast period," but the increases will be small enough that the number of jobs will stay below their 2008 peak through the end of 2012, economist Joan Crary says in an accompanying news release.

After recording a loss of 700,000 jobs this year, the country should add 1.2 million jobs in 2011 and 2 million in 2012, dropping the unemployment rate to 9.3 percent by the end of that period, according to the forecast. The nation lost 8 million jobs between late 2007 and late 2009 and has a long way to go to recoup those losses.

The forecast does point out that the economy is headed in the right direction, and that some of the uptick will come from better times in the auto industry as consumers head into foreign and domestic dealer showrooms for new vehicles.

GM stock began trading on Wall Street as the Detroit-based automaker took steps to repay the federal loan that helped it emerge from bankruptcy after the company stumbled when motor vehicle sales plunged to 40-year lows. The company reported earning \$2 billion in the third quarter and is taking steps to rebuild its market share, which last year was below 20 percent.

Light vehicle sales are expected to climb from 11.5 million units this year to 12.7 million in 2011 and 14.8 million in 2012, according to the forecast. That's still well below the peak of 17.3 million in 2000 and the more than 16 million vehicles sold through 2007, but a decided improvement over the 10.4 million vehicles sold in 2009.

Crary, and colleagues Daniil Manaenkov and Stanley Sedo, predict that housing starts will improve through 2012, with the number of new single homes and multi-tenant units rising from 605,000 this year to 807,000 in 2011 and 1.13 million in 2012.

They expect sales of existing homes to increase the next two years, from this year's low of 4.27 million units to 4.78 million in 2012. But they also say home prices are likely to drop 2.6 percent in 2011 before rising 1.2 percent in 2012.

Consumers should be helped, however, by low interest and inflation rates. The forecast calls for inflation to stay below 2 percent over the next two years and for conventional mortgage rates to remain flat at 4.3 percent over that period.

Auto Supplier Eyes Expansion

FRANKFORT, Ky. (AP) – Automotive parts manufacturer Bando USA will expand its Bowling Green operation with a \$7 million project that is expected to add 15 new jobs.

Gov. Steve Beshear said last week that the Kentucky Economic Development Finance Authority has preliminarily approved up to \$475,000 in tax incentives over the next 10 years to help with costs of the expansion.

Bando USA, which operates 17 plants around the world, now employs 134 workers at the Bowling Green plant. The expansion will accommodate a new manufacturing line that is expected to be up in 2011.

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