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NEWS

International

Magna acquires business units of Philips & Lite-On Digital Solutions

Magna International Inc. has acquired the head-up display and electronic components business units of **Philips & Lite-On Digital Solutions (PLDS)** in Wetzlar, Germany, as well as PLDS' ultrasonic sensor business in Hsinchu, Taiwan. As part of the transaction, approximately 60 PLDS employees will join Magna. PLDS' automotive business units in Wetzlar and Hsinchu develop products in the areas of automotive wireless charging, head-up display technology and connectivity, as well as various electro-mechanical devices. Terms of the acquisition are not being disclosed.

Bosch completes acquisition of ZF Lenksysteme

Robert Bosch GmbH has completed the acquisition of **ZF Friedrichshafen AG's** 50 percent share in the joint venture **ZF Lenksysteme GmbH (ZFLS)**. The antitrust authorities have approved the acquisition. This means that Bosch now owns all shares in the formerly 50:50 joint venture. It will be incorporated into the Bosch

Group as a new division with the name **Robert Bosch Automotive Steering GmbH**. ZFLS employs more than 13,000 associates in eight countries. The company manufactures steering systems for passenger cars and commercial vehicles. In 2013, it registered sales of around €4.1 billion.

Czech Republic

Škoda's trade unions criticise outsourcing plans

Trade unions of **Škoda Auto a.s.** are continuing protests against plans for outsourcing of workers. After a protest meeting organised at the Mladá Boleslav plant last week, other protest measures may follow. The largest concern of the trade unions is connected to the company's tool shop at the moment. While current plans of the management call for the outsourcing of 48 jobs, a consulting company said some 550 are to be outsourced, representatives of the unions said.

Škoda increases production of Fabia and Rapid Spaceback

Škoda Auto a.s. has increased production with the introduction of a third shift at the MBII assembly line (**Škoda** Fabia hatchback, Fabia wagon and Rapid Spaceback) in Mladá Boleslav. Up to 1,200 cars now run off the MBII production line every day in three shifts. Previously, a maximum of 800 vehicles could be produced on a daily basis in two shifts. Škoda has created an additional 800 new jobs to staff the third shift.

Hyundai returns to the Tucson name

The successor model of the **Hyundai ix35**, which will debut at the Geneva Motor Show in early March, will enter production as the **Hyundai Tucson at the Hyundai Motor Manufacturing Czech s.r.o. (HMMC)** plant in mid-June. The Hyundai Motor Company launched production of the first-generation Tucson in 2004. With the start of the second generation, the model was renamed the ix35 in Europe and many other markets in 2009. Currently the SUV is sold under the Tucson badge in the USA and Canada. It is known as the Tucson ix in South Korea or the Tucson ix35 in Colombia.

Škoda produces 17 millionth vehicle

Škoda Auto a.s. has celebrated production of their 17 millionth vehicle since 1905. In that year, Škoda's predecessor company **Laurin & Klement** built its first automobile in Mladá Boleslav, the Laurin & Klement Voiturette A. Since then, the company has produced 17 million vehicles at its Czech and foreign plants.

Change at the top of Kiekert subsidiary

Kiekert AG has appointed **Lukáš Hlava** (38) as General Manager at its **Kiekert-CS s.r.o.** plant in Přelou, Czech Republic. Lukáš Hlava, who has been working for Kiekert for 13 years, takes over plant management with immediate effect and will report directly to **Jürgen Peulen**, Kiekert's Executive Vice President Operations. He replaces **Georg Stappen**. Hlava began his career with Kiekert in 2002 at the company's plant in the Czech Republic, where he has held several positions in finance. In 2009, he moved to Heiligenhaus, Germany, where he was responsible for Kiekert's plants worldwide as Finance Manager Operations Controlling & Business Planning. Hlava was appointed General Manager of Kiekert Heiligenhaus in 2012.

Isolit-Bravo to construct new warehouse

Czech supplier **Isolit-Bravo s.r.o.** will construct a new warehouse at its site in Jablonné nad Orlicí. The project is called Citron. The capacity of the new warehouse will be 9,000 pallet slots, Isolit-Bravo's owner **Kvido Štěpánek** told the Czech business daily Hospodářské noviny. The costs of the project will be about CZK 40 million according to Czech media reports.

Brano Group reports higher turnover

The **Brano Group a.s.** achieved a CZK 3.973 billion turnover last year, compared to CZK 3.951 billion in 2013. "It seems, that 2014 is Brano's most successful year in the history" said Brano's Chairman of the Board **Pavel Juříček**.

Brano buys majority in German company Komp

The **Brano Group a.s.** has acquired a 75 percent share in the German company **Komp GmbH** which is located in Bielefeld. Plans call for the development of production of heating systems for SUVs and non-automotive use in cooperation between Komp and Brano's plant in Jilemnice.

Brano's head on possible plant in the USA

Brano Group a.s. may be forced to establish a plant in the USA, the company's Chairman of the Board **Pavel Juříček** said. "Our customers are pushing us to open a factory in the USA. I am resisting, because we should first finish things in China and Russia," said Juříček. "However, if the pressure will be great, we will have to seriously consider the issue of a new factory in America".

Pollmann to further invest in Czech plant

Austrian supplier **Pollmann International GmbH** plans to invest €1.5 million in its Czech plant **Pollmann CZ s.r.o.** located in Dolní Skrýchov, **Erwin Negeli**, CEO of **Pollmann Austria GmbH**, told the Austrian business daily Wirtschaftsblatt. The company invested €5 to €6 million per year in its Czech subsidiary during the last two years, said Negeli.

Hungary

BMW and Daimler deny media claims

Following a visit by **Angela Merkel** earlier this week to Hungary, local news outlets reported on a potential **BMW AG** factory which may be set up in Hungary and the expansion of the **Mercedes-Benz Manufacturing Hungary Kft** factory in Kecskemét. Both companies said these reports are unfounded.

Linamar opens expanded production hall in Orosháza

Linamar Hungary Autóipari és Gépgyártó Zrt. has officially opened its enlarged plant in Orosháza. The Canadian company invested HUF 5.5 billion in the project, which was supported by an HUF 1.6 billion EU-grant. 150 new jobs have been created. Linamar produces components for the automotive and the

agricultural machine industries. While orders for the agricultural business are declining due to the Russian crisis, the automotive side is growing, **Csaba Havas**, vice president of Linamar who's responsible of the group's European businesses, said at the inauguration ceremony. He also highlighted the cooperation with the **Volkswagen AG**.

Moldova

Sumitomo Electric Bordnetze to set up plant in Chişinău

Sumitomo Electric Bordnetze GmbH plans to establish a plant for the production of wiring harnesses in the Moldovan capital Chişinău. Members of the company's board met Moldova's Prime Minister **Iurie Leancă** regarding the planned investment. Plans call for the creation of up to 2,500 jobs.

Romania/Poland

Kimball Electronics to establish new operation in Romania

Kimball Electronics, Inc., a global contract electronic manufacturing services ("EMS") company, announced plans to open a new operation in Romania. The location of the new operation will be near the Timisoara airport and include a 6,000 square metre facility containing multiple production lines. Production employment is anticipated to occur in the third quarter of this calendar year. "The new operation in Romania will be an excellent complement to our existing operation in Poland," said **Janusz Kasprzyk**, Vice President European Operations.

Russia

GM to suspend production in St. Petersburg for almost two months

General Motors Co. will suspend production at its **OOO GM Avto** plant in St. Petersburg from the 23rd of March to the 15th of May. A GM spokesman confirmed a report by the daily newspaper Kommersant of the plant shutdown.

Ford: CFO on Russia

"2015 does not look good," **Ford Motor Co.**'s Chief Financial Officer **Bob Shanks** was quoted as saying about Russia in an interview published by the German financial daily Handelsblatt. Shanks said that Ford has lost market share in Russia as "a number of competitors have aggressively cut their prices". Japanese car makers were able to cut prices on the back of the weak yen and Korean car makers had followed, he explained. According to Shanks Ford is looking at measures to cope with the Russian crisis. "All options are on the table" he said. A market exit was not an option, Shank said in the interview.

AvtoVAZ to start regular production of Lada Kalina Cross soon

OAo AvtoVAZ will launch production of the **Lada Kalina Cross** with regular series technology in mid-February, Russky Avtomobil reports. Because of problems with tools, some plastic parts needed for the Kalina Cross

were manufactured under the use of another technology until now. About 1,000 Kalina Cross were manufactured last year according to the source.

Lada Granta GT project frozen

The project for production of the **Lada Granta GT** at **OAO AvtoVAZ** has been frozen, Russky Avtomobil reports. Current plans call for the presentation of the Granta GT together with the Granta and Kalina facelifts which are scheduled for the time after the production start of Lada Vesta and XRAY models, the report said.

AvtoVAZ plans to double exports

OAO AvtoVAZ plans to double exports of its cars this year, the company's President and CEO **Bo Andersson** said in a TV interview. About 51,700 cars were exported last year. The main export market is Kazakhstan.

Russia was third largest market of Renault-Nissan Alliance last year

In 2014, the **Renault-Nissan Alliance** sold 764,245 cars (including **Lada**) in Russia. With this number, Russia was the Alliance's third largest market behind the U.S. (1,386,895) and China (1,255,665). It was followed by Japan (674,922), France (653,326), Mexico (318,093) and Brazil (309,547).

Changan considers plant in Sverdlovsk Region

Chinese automaker **Changan Automobile Co. Ltd.** is considering the possibility to construct a plant in the Sverdlovsk Region, TASS reports, quoting China's consul general in Ekaterinburg. The information about negotiations with Changan was confirmed by **Andrey Sobolev**, Minister for International and Foreign Economic Relations of the Sverdlovsk Region. According to Sobolev, the region offered Changan several possible sites. Initially, Changan plans to launch SKD assembly in Russia in cooperation with the **Irito Group**. First car to be assembled in Russia is the Changan CS35. Changan launched sales in Russia in 2014. The company sold 1,144 cars in Russia last year. It plans to sell about 4,000 cars this year.

Hyundai Motor SNG appoints new Executive Director

Alexey Kalitsev (37) has been appointed as Executive Director of the distribution company **OOO Hyundai Motor SNG**. He is responsible for sales, marketing, development of the dealer network and product planning. Kalitsev served as Sales Director at Hyundai Motor SNG since 2010.

ZMZ invests in next stage of Euro 5 engine preparations

Engine and components manufacturer **OAO Zavolzhsy Motorny Zavod (ZMZ)** is investing RUB 54 million in a next stage of preparations for the production of engines which will comply with Euro 5 exhaust standards. The money is mainly destined for the purchase of new production equipment and modernisation of existing equipment. Production of Euro 5 engines is to start in January 2016. 2.7 litre 4-cylinder Euro 5 engines are tested in **UAZ** and **BAW** vehicles. Last December ZMZ shipped two V8 engines which are to be tested in **PAZ** buses.

BAW Rus tests ZMZ Euro 5 engines

OOO BAW Rus Motor Corporation, the assembler of **BAW** commercial vehicles located in Ulyanovsk, has received 20 2.7 litre Euro 5 gas engines from **OOO Zavolzhsky Motorny Zavod (ZMZ)** for tests in its vehicles. The company unveiled its first BAW 33462 light truck powered by a ZMZ engine last December.

GM-AvtoVAZ is increasing prices again

ZAO GM-AvtoVAZ has announced a new price increase for all **Chevrolet** Niva trim levels by RUB 20,000 to 23,000 effective as of the 1st of February. Prior to that, GM-AvtoVAZ increased all prices by RUB 20,000 starting from the 1st of January.

UAZ plans export increase by 30 percent

OOO Ulyanovsky Avtomobilny Zavod (UAZ) plans to increase its export shipments by 30 percent this year, Avtostat reports, quoting the PR department of **OOO Sollers**. The company exported 6,461 vehicles last year, down 38 percent from 2013. UAZ's main export market is Kazakhstan.

Mazda Sollers allowed to participate in state purchasing activities

The **OOO Mazda Sollers Manufacturing Rus** joint venture has received the right to participate in purchasing activities initiated by state or municipal companies and organizations, Interfax reports.

Motordetal to launch volume shipments for H4M engines in March

ZAO Kostromskoy Zavod Avtokomponentov (Motordetal-Kostroma) will start volume shipments of pistons destined for the **Nissan** H4M engine manufactured at **OOO AvtoVAZ** in Togliatti in March.

Namco may use AvtoVAZ engines and transmissions

Greek vehicle manufacturer **Namco Hellas AE** is considering the possibility to use engines, transmissions and some other parts sourced from **OOO AvtoVAZ**, **Valery Nikolaev**, head of the group of trade and economic relations at the Russian Embassy in Greece, told RIA Novosti.

Russia/Czech Republic

Brano suspends work on new plant in Russia

Brano Group a.s. has suspended work on its new Russian plant. "The fall of the ruble is not pleasant and we now had to suspend construction of the new plant," said Brano's Chairman of the Board **Pavel Juříček**. "We have prepared the area and work will begin again when the conditions stabilise". Brano Group operates a Russian factory in Kstovo in the Nizhegorod Region and plans a new plant in the region.

Serbia/Bosnia and Herzegovina

Prevent still interested in FAP Livnica

Bosnian supplier **Prevent BH d.o.o.** is still interested in the takeover of the foundry **FAP Livnica** which is located in Prijepolje, Serbia, Glas Zapadne Slavonije reports. FAP Livnica, which employs about 100 people, currently produces just at small capacity. In the case of takeover Prevent may create up to 400 new jobs. Negotiations with Prevent started in August 2013. The next round of negotiations is scheduled for the 6th of February, the newspaper says.

Serbia/Bulgaria

Great Wall importer inaugurates dealership in Belgrade

GWS Auto Group, the Serbian importer of **Great Wall** vehicles, has opened a Great Wall dealership in Belgrade. **Iliya Terziev**, Executive Director of Bulgarian Great Wall assembler **Litex Motors AD**, joined the ceremony. Another two dealerships are to be opened in Novi Sad und Niš by the end of March.

Slovenia

Revoz plans production increase of 15 percent for this year

Revoz d.d. manufactured 118,578 cars at its plant in Novo Mesto last year, up 26.5 percent from 2013. The company plans to increase its production by 15 percent in 2015, **Patrice Haettel**, Revoz's Chairman of the Board, told local media. The current production of the new Project Edison models includes about two third **Renault** Twingo and one third **smart** fourfour models, said Haettel. In addition, small volumes of Renault Clio II cars destined for North Africa are manufactured as well. Production of an electric version of the smart fourfour is to be launched this year.

Turkey

Tofaş reports 2014 results

Tofaş Türk Otomotiv Fabrikası A.Ş. announced that last year resulted in a net profit of YTL 574 million, which is a 32 percent increase compared to 2013 results. Yearly revenue amounted to YTL 7.4 billion up 5.7 percent compared to 2013. The company produced 222,807 vehicles in 2014, down 8.9 percent from 2013. From that volume 142,281 vehicles were exported, down 11.3 percent from 2013, mainly due to Argentina, Ukraine and Russia markets.

Tofaş expects higher exports in 2015

Tofaş Türk Otomotiv Fabrikası A.Ş. expects it will export 150,000 to 160.000 vehicles this year, compared to 142,281 units which were shipped abroad in 2014. Investment guidance for 2015 is €600 million.

Hyundai i20 wins iF Design Award

The new-generation **Hyundai i20** has won the **iF Design Award 2015** in the “Product” discipline, under the “Automobiles / Vehicles / Bikes” category. The car, which was designed at **Hyundai Motor Co.**’s Design Centre Europe in Rüsselsheim, Germany, is manufactured at the **Hyundai Assan Otomotiv Sanayi ve Ticaret A.Ş.** plant in İzmit, Turkey.

Ukraine

Yazaki to invest €1.1 million in coming fiscal year

Yazaki Corporation plans to invest €1.1 million in the development of production **TOV Yazaki Ukraina** plant in Uzhgorod in the Western Ukraine in the fiscal year between July 2015 and June 2016, plant manager **Milos Bosak** said in a interview published by the Ukrainian **Federation of Employers of the Automotive Industry**. “At the same time negotiations are planned to obtain new projects that will fill 15 percent of the remaining territory of the plant. Yazaki Ukraina can develop other projects, but for that we need additional space outside of the existing plant” Bosak is quoted as saying. The plant, which manufactures wiring harnesses for the Volkswagen AG, currently employs some 1,400 people. Bosak also said that companies located in the Special Economic Zone Zakarpatske, according to Ukrainian legislation, can not have branches or offices outside the SEZ, unlike other SEZs in Ukraine. This effectively limits the attraction of additional investments for expansion. “In our opinion, the investment climate of Zakarpatske could improve significantly in the case of the possibility on the legislative level of creating enterprises branches outside of SEZ Zakarpatske, which should be subject to the same customs regime as that for the main company to allow flexible movement of raw materials between the branches” said Bosak. According to Bosak, Yazaki Ukraina is going to work with the Federation of Employers of the Automotive Industry on a legislative initiative.

NEWS FROM THE MIDDLE EAST AND AFRICA

Iran

Bahman Diesel reports higher production

Bahman Diesel Company has manufactured about 3,600 vehicles in the first ten months of the current Iranian year which ends on the 20th of March, up 100 percent compared to the first ten months of the previous year, according to Bahman Diesel's CEO **Hakim Hosseini**. The company plans a production increase by 50 percent for the coming year, Hosseini said.

Nigeria

ANAMMCO launches assembly of Shacman trucks

The official roll-out of locally assembled **Shacman** trucks has been celebrated at the **Anambra Motor Manufacturing Company (ANAMMCO)** plant located in the Emene Industrial Estate of Enugu. ANNAMCO, which sources the assembly kits from the Chinese company **Shaanxi Automobile Group Co. Ltd.**, is assembling Shacman trucks for **Transit Support Services Ltd.**, a subsidiary of **ABC Transport Plc.**

United Arab Emirates/Morocco

Continental's Tyre Replacement business opens offices in Dubai and Casablanca

To drive forward the expansion of its Passenger and Light Truck Tyre (PLT) as well as Commercial Vehicle Tyre (CVT) replacement business in the Middle East and North Africa (MENA), **Continental AG** has relocated the relevant business units from Hanover in Germany to Dubai in the United Arab Emirates, where the marketing, sales, customer services and controlling functions for the region have been based since the beginning of this year. In addition to Dubai, the second base in MENA with focus on North Africa is now located in Casablanca, Morocco.

THIS WEEK ON CEAUTO.CO.HU

New car market in Russia: 270,653 new cars and LCVs were sold in December, 2014

<http://ceauto.co.hu/news/new-car-market-in-russia-december-2014-figures-are-released>

New car market in Czech Republic: 18,274 new light vehicles were registered in December, 2014

<http://ceauto.co.hu/news/new-car-market-in-czech-republic-december-2014-figures-are-released>

New car market in Romania: 7,441 new cars and LCVs were sold in December, 2014

<http://ceauto.co.hu/news/new-car-market-in-romania-december-2014-figures-are-released>

New car market in Slovenia: 3,932 new light vehicles were registered in December, 2014

<http://ceauto.co.hu/news/new-car-market-in-slovenia-december-2014-figures-are-now-available>

New car market in Bulgaria: 2,239 new cars and LCVs were sold in December, 2014

<http://ceauto.co.hu/news/new-car-market-in-bulgaria-december-2014-figures-are-released>

New car market in Serbia: 1,686 new cars and LCVs were sold in December, 2014

<http://ceauto.co.hu/news/new-car-market-in-serbia-december-2014-figures-are-released>

New car market in Macedonia: 452 new cars and LCVs were sold in December, 2014

<http://ceauto.co.hu/news/new-car-market-in-macedonia-december-2014-figures-are-released>

IMPRINT

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