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NEWS

International

Federal-Mogul Powertrain completes purchase of TRW engine valve business

Federal-Mogul Powertrain, a division of **Federal-Mogul Holdings Corporation**, has closed on the material portions of the previously announced acquisition of **TRW Automotive Holdings Corp.**'s engine valve business. The acquired business, headquartered in Barsinghausen, Germany, employs nearly 4,000 people globally. The closing did not include the sale of TRW's joint ventures involved in the business with the exception of a joint venture in Venezuela.

Samvardhana Motherson Group finalised takeover of Scherer & Trier

Indian **Samvardhana Motherson Group** has finalised the takeover of the supplier **Kunststoff-Technik Scherer & Trier GmbH & Co KG** with its two locations in Germany and Mexico. The agreements were signed on the 15th of December 2014. The acquisition comprises almost all assets including land and building as well as inventories. Since the 31st of January 2015, the German operations of Scherer & Trier have been trading as a new entity and with the new name **Samvardhana Motherson Innovative Autosystems B.V. & Co. KG (SMIA)**. They manufacture profiles and moulded parts made of thermoplastics, and hybrid components made of metal and plastic. The annual turnover of Scherer & Trier was approximately €245 million in 2013. All 2,200 employees were taken over. The company employs about 2,100 people at its German headquarters in Michelau and some 80 employees at its Mexican subsidiary **Kunststoff-Technik Trier de México, S.A. de C.V.** in Puebla.

Belarus

PSA launches sales of locally assembled models

The **PS Avto Grupp**, the Belarusian importer of **PSA's** brands, has launched sales of **Peugeot** 301 and 3008 models which are assembled from SKD kits at the **SP ZAO Unison** plant in Obchak near Minsk. Sales of additional locally assembled models – the Peugeot 508, the Partner as well as the **Citroën** C-Elysee and Berlingo – will start in March. The Peugeot 301 starts at BYR 182 million (\$11,800) and the Peugeot 3008 at BYR 314 million (\$20 350).

Unison continues Zotye assembly

SKD assembly of Chinese **Zotye** Z300 sedans at the **SP ZAO Unison** plant in Obchak near Minsk is to be continued this year. The company plans to assemble at least 300 Zotye Z300 cars in 2015.

Bosnia and Herzegovina

Prevent to supply fabrics for Opel cars

Prevent Fabrics d.o.o. will supply fabrics destined for the interior of **Opel** cars. A **General Motors Co.** delegation visited the company's plant in Visoko last month. Prevent Fabrics currently employs about 200 people.

Czech Republic

Škoda: Czech government approves support for the expansion of Kvasiny plant

The Czech government has approved the signing of a Memorandum of cooperation between the Czech Republic, **Škoda Auto a.s.** and the Královéhradecký Region. Škoda plans to invest at least CZK 7.2 billion (€260.2 million) in the expansion of the Kvasiny plant. The project, which is connected to the production of new SUV models, will create up to 1,300 new jobs at Škoda and some 400 new jobs at suppliers in the region. According to Czech Prime Minister **Bohuslav Sobotka**, the government will support the project by up to CZK 570 million (€20.6 million). The Královéhradecký Region will support the expansion with CZK 300 million

(€10.8 million). "It is not a classic investment incentive. There is no direct subsidy provided, but indirect one as the infrastructure develops," said Industry and Trade Minister **Jan Mládek**. The measures supported by the government include the expansion of the Solnice-Kvasiny industrial zone by 51.62 hectares and investment in the road and rail infrastructure.

Saar Gummi to increase turnover this year

Saar Gummi Czech s.r.o. expects that its turnover will increase close to CZK 3 billion this year, the company's Managing Director **Jan Tichý** told ČTK. Last year's revenues were about CZK 2.5 million, up 22 percent from 2013. The main customer for sealings manufactured at the plants in Červený Kostelec and Velké Poříčf is **Volkswagen AG**. Sealings for new-generation models such as the **Škoda** Fabia and Superb or **Volkswagen** Passat are part of the product portfolio. The company also manufactures parts for **Opel, Ford, BMW, Mercedes-Benz** and **Citroën** cars. "Last year we also won a major contract for **PSA** in the amount of nearly CZK 300 million. It includes sealings for two models with production start in 2016 and 2017," Tichý is quoted as saying. The company, which currently employs some 850 people, created 65 new jobs last year.

Brano to increase capital in China

The **Brano Group a.s.** will increase capital of its subsidiary in China as a result of a new contract for the production of griffasters as well as locks for fifth doors according to **Pavel Juříček**, Brano's Chairman of the Board.

Estonia/Latvia/Lithuania

SsangYong to make comeback in Baltic states and Finland

Finnish car distributor **Bassadone Automotive Nordic Oy** is bringing the **SsangYong** brand back to Finland as well as the Baltic states Estonia, Latvia and Lithuania. Sales of the SsangYong brand in Finland were phased out in the second half of the 1990s. In the Baltic countries there was an interruption of several years. According to **Pasi Räsänen**, Managing Director of Bassadone Automotive Nordic's subsidiary **SY Motor Oy**, sales of SsangYong vehicles in Finland are expected to start at the end of March, with Estonia to follow in April and Latvia and Lithuania to be added later. "We expect sales of about 1,500 vehicles in the four countries in 2016," said Räsänen. The company is forecasting that about 50 percent of the total volume will be sold in Finland and the other 50 percent in Estonia, Latvia and Lithuania but according to Räsänen there may be even more potential in the three Baltic markets.

Kazakhstan

Kazakh assemblers call for state support

Kazakh vehicle assemblers are calling for support from the state. During a visit of **Berdybek Saparbayev**, Kazakhstan's Deputy Prime Minister responsible for Labour Issues and Social Protection, to the Kostanay Region **Alexey Sidorenko**, Chairman of the Board of **AO AgromashHolding**, proposed consideration of necessary state support measures for the further strategic development of Kazakhstan's automotive industry. In particular, he stressed that there is a need to subsidise the costs of legal entities engaged in industrial assembly of motor vehicles for the preservation of jobs, energy use and logistics costs as well as

for stimulation of demand for the acquisition of vehicles by legal entities and protective measures for import of new vehicles from the **Euroasian Economic Community** countries. Saparbayev noted that the state would not allow the machine-building industry to “die” and surely will take appropriate measures to protect domestic producers. “At the moment, our colleagues are in Moscow to resolve questions about the temporary suspension of the mass importation of cars and other products to the territory of the Republic of Kazakhstan in order to protect the market. We hope that there will be positive results,” Saparbayev said.

AgromashHolding reduces forecast for 2015

Kazakh vehicle assembler **AO AgromashHolding** was forced to reduce its forecast for this year because of the large number of vehicles imported from Russia during the last weeks. “Plans for this year called for the production of 20,000 vehicles. Unfortunately, the world economic situation made adjustments to our plans,” said **Alexey Sidorenko**, Chairman of the Board of AgromashHolding. “More than 50,000 units of vehicles were imported from the Russian Federation by Kazakhs, which significantly affected the sales volumes of Kazakh car dealers. This situation has not spared the domestic auto industry. Sales have fallen, respectively production volumes have been adjusted,” he added. “At the moment, it was decided to establish production plans at the level of the previous year in the amount of 8,500 units of vehicles.”

AgromashHolding signs Memorandum on stability of the workforce

AO AgromashHolding, and some other local companies, have signed a Memorandum on the stabilisation of production processes and protection of labour rights and guarantees for workers with the administration of the Kostanay Region and local trade unions. The memorandum should ensure stability of the workforce, including the preservation of jobs and prevention of mass unemployment.

Poland

Volkswagen unveils next-generation Caddy



Volkswagen AG has presented the new fourth-generation **VW Caddy** at a media event in Poznań, Poland. **Eckhard Scholz**, Chairman of the Board of Management of the Volkswagen Commercial Vehicles Brand, and **Janusz Piechociński**, Polish Minister of Economic Affairs and Deputy Prime Minister, joined the presentation. As with its predecessor, the new Caddy will be solely manufactured at the **Volkswagen Poznań Sp. z o.o.** plant in Poznań. Last year about 149,000 Caddys were delivered to customers. A total of some 1.5 million third-generation Caddys have been sold. The new Caddy's engine portfolio includes four versions of the 2 litre TDI diesel engine with 75 hp to 150 hp. The company also offers the 1.4 litre TGI which consumes natural gas. In the case of petrol engines there is a choice of three powerplants. They range from the 1.2 litre four-cylinder TSI with 84 hp and the 1.0 litre three-cylinder TSI with 102 hp up to the 1.4 litre TSI four-cylinder with 125 hp. The new Caddy will be launched in Germany at the end of June, with all other countries following quickly thereafter. Dealers in Germany will be taking initial orders in March.

Morat Group to launch production in Nowa Ruda in summer

The German **Franz Morat Group**, which includes the companies **Framo Morat GmbH & Co. KG** and **F. Morat & Co. GmbH**, plans to launch production at its new plant **Framo Morat Polska Sp. z o.o.** in Nowa Ruda with 2,500 square metres of production space in summer 2015. Initial plans call for the employment of 40 people and the number is to be increased to 100 workers in the future.

Government approves expansion of Tarnobrzeg Special Economic Zone

The Polish government has approved the expansion of the **Tarnobrzeg Special Economic Zone EURO-PARK WISŁOSAN**, which is managed by the **Agencja Rozwoju Przemysłu S.A. (ARP)**, by 43.74 hectares. The new investment sites are located in the subzones Radom, Jasło and Tarnobrzeg. It is expected, that investments of more than PLN 450 million will create more than 1,500 new jobs at the newly included territories. **Pilkington Automotive Poland Sp. z o.o.** will be among the investors with an investment of PLN 220 million and creation of 250 jobs.

Mando increases capital

Mando Corporation Poland Sp. z o.o. has increased its capital by PLN 10 million to PLN 39 million. The company, which is located in Wałbrzych, produces parts for **Hyundai Motor Manufacturing Czech s.r.o.** and **Kia Motors Slovakia s.r.o.** car plants.

Romania

Government assigns RON 350 million as guarantees for "First Car" programme in 2015

The Romanian government will allocate a limit of guarantees for the "Prima Mașină" ("First Car" in English) programme of RON 350 million (€78.6 million) this year, according to a draft bill that also foresees the possibility of other creditors interested in the programme to submit their applications by the 2nd of March, Mediafax reports. In 2014 the government established a RON 50 million (€11.2 million) ceiling for the year after it had launched this programme in November 2014. People purchasing a new car through the "First Car"

programme will benefit from a credit period of up to 5 years for a car with a price that does not exceed RON 50.000 plus VAT (€11.293), and with a subsidised interest rate of 50 percent. This programme can be accessed by individuals who have incomes and who can prove, through an affidavit, that they did not own a new car previously. The programme does not enjoy the support from IMF. The IMF representatives have asked Romania to drop the "First Car" programme in the recent negotiations, but local authorities declined. The programme is expected to support the sales of about 15,000 new cars this year.

Russia

PricewaterhouseCoopers: Car sales may fall up to 35 percent

Russian new car sales are expected to decline by 20 percent to 35 percent this year compared to 2.34 million units sold in 2014, **PricewaterhouseCoopers** said. "According to our estimates, if the market support will be provided in sufficient volume, a decline in sales for the year could reach 20 to 25 percent, otherwise it can grow exponentially to 35 percent," said **Sergey Litvinenko**, Director of PwC Russia's Automotive Advisory practice. Sales of Russian brands may fall 10 percent, but in the best case they could show a 5 percent growth. Foreign branded cars assembled in Russia will see a 23 to 33 percent drop while imported cars would fall 48 to 55 percent next year, PwC said.

Hyundai to add crossover in St. Petersburg

Hyundai Motor Co. will launch production of a sub-compact crossover in Russia in 2016, the distribution company **OOO Hyundai Motor SNG** said. The car will be manufactured at the **OOO Hyundai Motor Manufacturing Rus** plant in St. Petersburg. It will be powered by 1.6 litre or 2 litre engines and available with front-wheel-drive and all-wheel-drive. While Hyundai does not say more about the car, it is expected that it will be a Russian version of the **Hyundai ix25** which is currently manufactured in China.

Renault and PCMA to suspend production

ZAO Renault Russia will suspend production at its plant in Moscow from the 16th of February to the 6th of March. The **OOO PCMA Rus** factory in Kaluga, which assembles **Peugeot**, **Citroën** and **Mitsubishi** cars, will interrupt production from the 23rd of February to the 9th of March.

GM Avto to continue SKD assembly during CKD interruption

While **OOO GM Avto** will suspend CKD assembly at its plant in St. Petersburg from the 23rd of March to the 15th of May (as we reported in the previous issue), SKD assembly at the site will continue, Vedomosti reports, quoting sources at the company. **Chevrolet** TrailBlazer and Captiva as well as **Cadillac** models are assembled from SKD kits in St. Petersburg. Assembly of the new models Cadillac Escalade and Chevrolet Tahoe is to be added soon. According to Vedomosti, GM is considering to transfer the assembly of all its models from **OOO Avtotor Holding** in Kaliningrad to its own plant in St. Petersburg.

Volkswagen starts pilot assembly of engines

OOO Volkswagen Group Rus has launched pilot assembly of petrol engines at its new engine plant in Kaluga. Volume production is to start later this year.

Ford to launch six new models in Russia this year

Ford Motor Co. will launch six new models in Russia this year, the company's CEO **Mark Fields** told the German business weekly *WirtschaftsWoche*. "Between end-2014 and end-2015 we will bring six new models to market," Fields was quoted as saying. "There are no bad times for me to introduce a great new model, even if the economic conditions are difficult".

Faurecia to establish plant in Alabuga Special Economic Zone

The supervisory board of the Alabuga Special Economic Zone has examined a project of **Faurecia S.A.** Faurecia was recommended to receive resident status and the project was recommended for expert review by the Economic Development Ministry.

AvtoVAZ celebrates start of pilot assembly of Lada Vesta in Izhevsk

OAO AvtoVAZ has organised a media event for the official start of the **Lada Vesta** pilot assembly at its subsidiary **IzhAvto (OAO OAG)** in Izhevsk. AvtoVAZ's President and CEO **Bo Andersson** and **Alexander Solovyev**, President of the Republic of Udmurtiya, joined the event.

Nissan announces prices for Datsun mi-DO

Nissan Motor Co. Ltd. has announced prices for its second Russian model **Datsun mi-DO**, which is based on the **Lada Kalina**. The hatchback starts at RUB 415,000 with manual transmission and RUB 455,000 with automatic gearbox.

Production of Lada 4x4 Urban may be transferred from VIS Avto to AvtoVAZ

The production of the **Lada 4x4 Urban**, which was launched at **OAO AvtoVAZ's** sister company **OOO VIS Avto** in Togliatti in October 2014, is expected to be transferred to AvtoVAZ, **Lada 4x4 Niva Klub** reports. According to the source, the slow tempo of the assembly and quality problems are the main reasons for the transfer.

AvtoVAZ launches sales of Lada Largus Cross

OAO AvtoVAZ started sales of the **Lada Largus Cross**. The car, which has had its ground clearance increased by 25 mm compared to the normal Largus, starts at RUB 553,000.

Nokian Tyres produces 80 percent of its car tyres in Russia

Currently roughly 80 percent of **Nokian Tyres plc's** production volume of car tyres is in Russia. The annualised capacity of the Finnish and Russian factories amounts to over 20 million car tyres, with shift arrangements. In 2014 the capacity was not fully utilised, but production output (pieces) increased by 4.3 percent and productivity (kg/mh) improved by 5.1 percent year-over-year. "Nokian Tyres continues to have competitive advantages from having manufacturing inside Russia," the Finnish company said. "Of the Russian production approximately 60 percent is exported and the margin between production costs in Roubles and export sales in Euros has improved along with the Rouble devaluation." In the case of a demand upturn, Nokian Tyres' car tyre production capacity in Russia offers an inbuilt capability to increase output rapidly without capital expenditure, to meet market growth.

ITE and Messe Frankfurt jointly acquire Comtrans and Autotrans shows

British company **ITE Group plc** and Germany's **Messe Frankfurt GmbH** have joined forces to each acquire a 50 percent stake in the Moscow-based trade events for commercial vehicles, buses and special vehicles, **Comtrans** and **Autotrans** through their Russian subsidiaries **OOO ITE Expo** and **OOO Messe Frankfurt Rus**. The new joint venture organising company will be named **AO ITEMF Expo**. Since 2000, Comtrans and Autotrans have developed into market leaders in Russia. In September 2013, Comtrans attracted 447 exhibitors and over 25,000 visitors. A total of 160 exhibitors and 4,873 visitors participated at Autotrans 2014. The next Comtrans event is scheduled to take place from the 8th to the 12th of September 2015 at the **International Exhibition Center Crocus Expo**, Moscow.

Russia/Belarus

Toyota launches sales of new Alphard

The **Toyota Motor Corporation** has launched sales of the new-generation **Toyota Alphard** luxury minivan in Russia and Belarus. The Alphard is manufactured in Japan mainly for sale locally. The two countries are the only European markets where the Alphard is available. The vehicle, powered by a 275-hp, 3.5 litre gasoline engine, starts at RUB 2.998 million in Russia. Toyota started Alphard sales in the region in 2012.

Russia/CIS

Nokian Tyres reports lower sales in Russia and CIS

Nokian Tyres plc's sales in 2014 in Russia decreased year-over-year by 30.1 percent to €363.4 million (520.1). Sales in the CIS countries (excluding Russia) were €23.2 million (56.6), Ukrainian sales being hit hard by the crisis situation. Consolidated sales in Russia and CIS decreased by 33.0 percent to €386.7 million (576.7). The decrease of sales value relates mostly to currencies weakening significantly against the Euro. Nokian Tyres managed to further improve its market share in A and B segments in Russia, but it was achieved by increasing sales of B-segment products, resulting in a weaker product mix and Average Selling Price. The distribution network was extended by signing additional distribution agreements and expanding the **Vianor** network by 42 stores. There were a total of 663 Vianor stores in 368 cities in Russia and CIS countries at the end of 2014. The **Hakka Guarantee** network and other retail partners working closely with Nokian Tyres in Russia are comprised of 3,600 tyre stores, Vianor shops, car dealers, and web shops. During 2014, Nokian Tyres launched a new franchising concept of a tyre shop - **N-Tyre**, with the total amount of opened shops in Russia and Kazakhstan reaching 53 by year-end. The new concept enables more retail partners to develop close cooperation with Nokian Tyres, as it implies somewhat softer requirements towards the format, setup and equipment of a tyre shop compared to the flagship Vianor chain. Russia and CIS consolidated sales formed 26 percent of the group's total sales in 2014.

Russia/Slovakia

Kia launches sales of facelifted Venga

Russian sales of the facelifted version of **Kia Venga** will start on the 16th of February. The car, which is assembled at **OOO Avtotor Holding** in Kaliningrad from SKD kits sourced from Slovakia, starts at RUB 679,900.

Serbia

SG Automotive Group executives visited Kragujevac

Representatives of the Chinese company **Liaoning SG Automotive Group Co. Ltd. (Huanghai Motors)**, the Province Liaoning and the city Dandong recently visited Kragujevac for another round of negotiations about possible cooperation with **Zastava Group** companies.

Slovenia

Revoz interrupted production due to the ban of freight transport

Last week **Revoz d.d.** had to interrupt production at its plant in Novo Mesto due to the ban of traffic for trailers and semi-trailers on Slovenian motorways and expressways and the consequent closure of border for vehicles of the type which occurred due to forecasts of heavy snowfall on Thursday (5th of February 2015). Because of the ban, the supply of some parts to the car plant were not possible. Revoz was forced to cut the night shift on Thursday and all three shifts on Friday. The company criticised the way the band was imposed. "Revoz welcomes the preventive measures and appropriate response to extreme weather conditions with the aim of providing greater security, but in these decisions all the possible consequences need to be taken into account, primarily in the economy, where there are the greatest consequences" Revoz said in a statement. "According to our estimates, the decision to ban traffic was a little bit premature and too generalised".

Hidria signs new deal with PSA

Hidria d.d. has signed a new €30 million contract with **PSA Peugeot Citroën**. According to the deal, the company will supply glow plugs for PSA's diesel engines DV5Rx between 2017 and 2022. The glow plugs will be manufactured by **Hidria AET d.o.o.** in Tolmin. According to Hidria, a new €20 million deal with **BMW AG** will be signed soon.

Letrika to change names of all companies of the group

As the result of the fact that the Slovenian supplier **Letrika d.d.** became a member of the **Mahle Group**, all companies of the **Letrika Group** will be renamed after the 1st of April. Gradually, the company also will start the use of the **Mahle** trademark.

Akrapovič reports higher revenues

Exhaust system manufacturer **Akrapovič d.d.** achieved €71 million sales revenues last year, up 24 percent from 2013. The company expects that its will increase to €80 million this year and will surpass €100 million by 2017, Chairman **Igor Akrapovič** told STA. Last year's profit was about €6 million, up 80 percent from 2013. For 2015 Akrapovič expects similar profit due to the costs connected to the production transfer from the company's headquarters in Ivančna Gorica to a new plant in Črnomelj. The costs of the transfer are expected to be about €18 million. Some 200 new jobs were created in 2014 due to the transfer to Črnomelj. Another 60 people are to be employed in 2015. About 300 employees will remain at the Ivančna Gorica site which includes management and engineering activities as well as the foundry division.

Turkey

Ford Otosan: Turkish Ministry approves investment incentive

Ford Otomotiv Sanayi A.Ş. (Ford Otosan) said its application for an investment incentive regarding the capacity expansion investments for Euro 6 Cargo production that will start in 2018 at the İnönü plant has been approved by the Turkish Ministry of Economy's General Directorate of Incentive Implementation and Foreign Investments. The certificate is issued for TRY 331 million and has a "priority investment" status.

Ukraine/Romania

Change at the top of Porsche Ukraina

Josef Graf (49) has been appointed as the CEO of **TOV Porsche Ukraina** in Kiev. Previous to his new position he served as the CEO of **Porsche Finance Group Ukraine**. Porsche Ukraina, a sister company of the Austrian **Volkswagen AG** subsidiary **Porsche Holding GmbH**, is the Ukrainian importer of **Volkswagen**, **Audi** and **Seat** brands. Graf replaces **Thomas Ruschitzka** (39), who is now located at Porsche Holding's headquarters in Salzburg, Austria and serves as the head of the company's wholesale activities in South America. **Andreas Zöller** (33), who worked as the CFO of **Porsche Finance Group Romania** in Bucharest, is the new CEO of Porsche Finance Group Ukraine in Kiev.

Ukraine/Iran

Bogdan-Avtotrade to add more Iranian models

Ukrainian distributor **TOV Bogdan-Avtotrade**, which launched sales of Iranian-made **Saipa** Tiba sedan some weeks ago, will source more models from Iran after a visit of the company's Managing Director **Oleg Krivovyaz** to Iranian car makers, autoconsulting.ua reports. In addition to the Saipa Tiba sedan and the Tiba 2 hatchback, which was announced earlier, Bogdan-Avtotrade will also import the Saipa 151 small pickup as a result of Krivovyaz's visit to the **Saipa Automotive Group**. The report says that the new Saipa Saina sedan, a car with start of production scheduled for mid-2015, will also be imported to Ukraine. Krivovyaz also paid a visit to **Iran Khodro Company (IKCO)**. "(Iran Khodro) Runna, Soren and Dena were IKCO's passenger cars that could match the Ukrainian customer taste" he is quoted as saying by IKCO's PR department.

Uzbekistan

New component projects for GM cars

New component projects for Uzbek-made **GM** cars with production start scheduled for 2016 are in preparation, Podrobno.uz reports. The new projects include production of axles with the annual capacity of 80,000 sets and the investment of more than \$5.3 million as well as aluminium parts with the capacity of 150,000 sets per year and total investment of \$13.2 million.

UzERAE Alternation to produce stators

Supplier **UzERAE Alternation** will launch production of stators destined for cars made by **GM Uzbekistan YoAJ** this year, Podrobno.uz writes. Production at a site in the **Free Industrial Economic Zone Navoi** is to start this year. Plans call for the production of 100,000 stators this year and up to 200,000 units per year in the future. The investment will be about \$2 million.

NEWS FROM MIDDLE EAST AND AFRICA

Egypt

GB Auto to construct plants for motorcycles and three-wheelers as well as tyres

GB Auto S.A.E.'s extraordinary general assembly of shareholders has approved the proposed EGP 960 million right issue that will see the company's issued capital rise to EGP 1.095 billion. The tradeable rights issue will see existing shareholders given the opportunity to subscribe to 960 million new shares on a pro-rata basis at par (EGP 1 per share, plus issuance fees of LE 0.01 per share); shareholders exercising their right to subscribe may settle in cash or through capitalisation of shareholder loans to the company. Amongst other uses, funds from the capital raising will allow the company to build a new two- and three-wheeler plant to allow full CKD assembly and to enter the tyre manufacturing business. Up to EGP 320 million will be used for GB Auto's equity contribution to a wholly-owned CKD plant that will assemble **Bajaj**-branded motorcycles and three-wheelers (commonly called "tuk-tuks"). The capacity will be 120,000 units per year of each product. Construction of the facility will take 18 to 24 months. Up to EGP 640 million will be earmarked for expansions in the tyre line of business with the launch of a manufacturing project as the main part. Construction of the new tyre plant will take about 24 months. The facility will produce tyres for passenger cars, pickup trucks and light trucks. The company is also studying the feasibility of including truck and bus tyres in a subsequent phase of the project.

Iran

Mahindra & Mahindra interested in cooperation with Iran Khodro

Indian vehicle manufacturer **Mahindra & Mahindra Ltd.** is considering cooperation with **Iran Khodro Comany (IKCO)**. **Pravin Shah**, the Chief Executive Officer of Automotive Division & International Operations at Mahindra & Mahindra and **Sanjay Jadhav**, Mahindra's Export Vice President for Africa and the Middle East, visited IKCO's headquarters in Tehran for negotiations. "We are seeking business opportunities and common interests in order to start a long-term cooperation with IKCO and jointly make cars," said Shah.

MVM plans higher production

Iranian company **Modiran Vehicle Manufacturing Company (MVM)**, which assembles Chinese **Chery** cars under its own brand, plans a significant output increase. Plans call for the assembly of up to 70,000 cars in the Iranian year 1394 (21st of March 2015 to 20th of March 2016), **Bahram Shariat**, MVM's Chairman of the Board, told Iranian media. The company expects to make about 42,000 cars in the current Iranian year which ends on the 20th of March 2015.

MVM launches sales of the MVM 550

Modiran Vehicle Manufacturing Company (MVM) will launch sales of its new **MVM 550** sedan model in the upcoming weeks. MVM 550 is based on the **Chery E5**, which is manufactured in China since June 2011. MVM presented the MVM 550 model in Iran for the first time in 2013. The car will be available with manual transmission as well as with CVT. The company plans to assemble up to 20,000 units of the new model in the Iranian year 1394 (21st of March 2015 to 20th of March 2016), MVM's Chairman of the Board **Bahram Shariat** said during the presentation of the MVM 550.



Kerman Khodro starts sales of locally assembled JAC S5

Kerman Khodro, the assembler of **JAC** and **Lifan** cars, has launched sales of locally assembled JAC S5 crossover. The car, which is produced in China since January 2013, was exhibited at a local motor show in Iran in 2013 for the first time.

Renault unveils electric car

Renault S.A. has unveiled the **Renault** Fluence Z.E., its first electric car to hit the Iranian market, on the Kish Island. Currently the vehicle is imported to be used in the Kish Free Zone only, but there are plans to offer it in other parts of Iran as well. The Renault Fluence Z.E. offered in Iran is a Renault-badged version of the **Samsung** SM3 Z.E. electric car manufactured by **Renault Samsung Motors** in South Korea.

UPCOMING EVENTS

- » **March, 5-15:** GENEVA, SWITZERLAND: 85TH MOTOR SHOW
<http://www.salon-auto.ch>
- » **March, 17-19:** MOSCOW, RUSSIA: RUSSIAN AUTOMOTIVE FORUM
<http://www.russianautomotive.com/>
- » **March, 24-26:** ST. PETERSBURG, RUSSIA: AUTOPROM RUSSIA, 2015
<http://autopromrussia.ru/>
- » **April, 9-12:** POZNAN, POLAND: MOTOR SHOW
<http://www.motorshow.pl>
- » **April, 23-24:** ALMATY, KAZAKHSTAN: EURASIA BUSINESS FORUM
<http://www.ebf.kz>
- » **May, 19-21:** NOVO MESTO, SLOVENIA: STRATEGIC COOPERATION & JOINT PRODUCTION IN CAR BODY ENGINEERING
<http://www.automotive-circle.com/>
- » **June, 8-10:** GYŐR, HUNGARY: EUROPEAN AUTOMOTIVE CONGRESS
<http://eaec2015.org/>

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