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### NEWS

#### International

##### ***RPC finalises acquisition of Promens Group***

**RPC Group Plc** has completed the acquisition of **Promens Group AS**. Promens is a plastics manufacturer operating 40 facilities spanning 20 countries in Europe, North America, Asia and Africa. The company produces a wide range of products, including packaging for food, cosmetics, chemicals and pharmaceuticals, and serves multiple industries such as food processing, chemical and medical, as well as the automotive, heavy machinery and electronic sectors. In total Promens employs about 3,800 people.

#### Czech Republic

##### ***Škoda to increase annual capacity in Kvasiny to 310,000 cars***

While **Škoda Auto a.s.** recently officially said that it plans a capacity increase at its plant in Kvasiny to 280,000 cars per year, however the real target is an annual capacity of 310,000 cars according to documents

published as part of the Environmental Impact Assessment for the factory. The current annual capacity is 225,000 cars manufactured over 250 days. The capacity increase will be realised with an increase to 290 working days in the first stage starting from early 2017 and 310 working days in the second stage starting from early 2018 as well as with a capacity increase by about 10 percent in some parts of the plant. The production capacity will be increased from the current 900 units per day to 1,000 units. In the welding shop, the current capacity is 1,200 bodies per day. As this capacity will not be needed, it will be reduced to 1,000 mainly through reprogramming of robots. The capacity of the paint shop will be increased from 900 to 1,000 bodies. However, of the total 1,000 bodies 100 bodies will be sourced from Škoda's main plant in Mladá Boleslav and in Kvasiny's paint shop they only will be technologically treated from the preservation process of cavities with wax. The capacity of the assembly line will be increased from 900 to 1,000 cars. There is no need for construction of additional buildings.

### ***Continental Automotive to add logistics space in Brandýs nad Labem***

**Continental Automotive Czech Republic s.r.o.** plans to add two logistics halls at its site in Brandýs nad Labem. In the first phase, a 9,400 square metre hall is to be erected. The construction is to start this year and to be finished in 2016. Construction of the second, 6,175 square metre logistics hall is to start in 2016 and to be finalized in 2017.

### ***Mondi Coating Štětí to construct new warehouse***

The supplier **Mondi Coating Štětí a.s.** plans to construct a new 5,816.5 square metre warehouse at its site in Štětí. Construction of the new hall is to start in June 2015 and to be finished in June 2016.

### ***CzechInvest opens office in South Korea***

**CzechInvest** has expanded its network of foreign offices with the opening of a branch in South Korea. The Korean office, which will be housed in the Czech embassy in Seoul, will be led by **Martin Jírovec**, who previously worked for the Czech branch of **KOTRA, Korea Trade-Investment Promotion Agency**. In connection with the start of the new office's operations, CzechInvest has also launched a Korean-language version of its website.

### ***Mann+Hummel Service is Employer of the Year among service centres in the CEE region***

**Mann+Hummel Service**, which has been in operation in Nová Ves since 2007, has been voted Employer of the Year amongst service centres in the CEE region. The competition's assessment committee was impressed mainly by the list of financial and non-financial benefits that Mann+Hummel provides to its employees. The portfolio of the Czech shared-services centre includes services in the areas of accounting and finance, design and development and IT, amongst others.

### Hungary

#### **General Motors announces new investments in Hungary**

**Joachim Koschnicke**, Opel Group's Vice President of European Government Relations together with **Péter Szijjártó**, Minister of External Economy and Foreign Affairs held a joint press conference on the 27<sup>th</sup> February where it was revealed that **General Motors** will open a new training centre at its Szentgotthárd plant. This year the company plans to increase engine production by 50 per cent compared to last year. 580,000 units are being targeted, which requires hiring around 500 new employees. The new education centre which will be opened this autumn will provide training for about 100 students. Additionally Global Business Services, the back-office organisation of General Motors will open its Hungarian office this Spring. **GBS Hungary** will initially employ 40 people, with another 50 employees are set to be hired before the end of this year.

#### **Audi opens Faculty of Vehicle Engineering at Győr university**

**Audi Hungaria Motor Kft** and the **Széchenyi István University** in Győr have taken another step in its long-standing cooperation: Together with the University, the company has founded the "**Audi Hungaria Faculty of Vehicle Engineering**". The faculty comprises six existing chairs – for internal combustion engines, automobile production technology, complete vehicle development, materials science and technology, environmental technology as well as logistics and forwarding business. University lecturer **Dr. Barna Hanula**, head of academic contacts at Audi Hungaria, has been appointed dean of the faculty.

#### **Apollo Tyres starts recruiting in Hungary**

**Apollo Tyres Hungary Kft** has launched its first recruiting campaign. According to **Kannan Prabhakar**, managing director of the company "we have started the recruitment of technicians in several educational institutes in Heves County, with whom we will sign a scholarship agreement in March 2015". The first 100 employees will be signed by July, 2015. The greenfield facility of Apollo is set to be completed by 2017 in Gyöngyöshalászi. It will be the most modern plant of the company with a capacity to produce 5.5 million passenger car and light truck tires and 675,000 heavy commercial vehicle and bus tires per year.

#### **Suzuki launches SX4 S-Cross in Japan**

**Suzuki Motor Corporation** has launched the **Suzuki SX4 S-Cross** in Japan. The crossover model is sourced from the Hungarian plant **Magyar Suzuki Zrt.** in Esztergom. Production of the SX4 S-Cross started at Magyar Suzuki in August 2013. The vehicles is also manufactured in China by the joint venture **Chongqing Changan Suzuki Automobile Co., Ltd.** since December 2013.

#### **Japanese component suppliers plan new investments**

In an interview with MTI, the Hungarian news wire, **Levente Magyar** secretary of state, responsible for economic relations said that **Diamond Electric** is planning a "new investment, worth several millions of euros" at its Esztergom plant. He also hinted at the possibility of the arrival of a new Japanese supplier, who is set to "invest EUR 50 million and create 200 new jobs".

### Kazakhstan

#### ***AllurGroups's President Lavrentyev named Entrepreneur of the Year***

**Andrey Lavrentyev**, President of the AllurGroup, has been voted as EY Entrepreneur of the Year 2014 in Kazakhstan by an independent jury. The contest, which is organized by **EY (Ernst & Young)**, is part of the International Programme for EY Entrepreneur of the Year award. Lavrentyev will represent Kazakhstan in the finale of the international competition EY World Entrepreneur of the Year

### Macedonia

#### ***Gentherm signs agreement on plant in Prilep***

US supplier **Gentherm Inc.** has signed an agreement about the construction of a plant located close to the city of Prilep (as reported by Ceauto in issue 2-2015). Plans for the first phase call for the construction of a 6,500 square metre factory and the creation of 1,000 jobs. The investment will be about €20 million. The company plans to employ up to add another 1,000 jobs in a later phase. The opening of the new plant is scheduled for October. Some workers will be trained at Gentherm's facility in Vinogradov (Ukraine). Gentherm considered five South-east European countries when looking for the site of the new plant.

### Poland

#### ***Uniwheels to build third plant in Stalowa Wola***

Germany-based alloy wheels manufacturer **Uniwheels AG** plans to expand its operations in Poland, which will increase the annual capacity of its Polish factories which belong to **Uniwheels Production (Poland) Sp. z o.o.** in Stalowa Wola by about 2 million wheels. The first stage of development will include the construction of several new buildings and the installation of an additional fully automatic painting line that will supplement the existing production capacities. Further stages will include setting up a new foundry with an array of new casting machines and melting ovens as well as robotic machinery cells for the automatic machining process. At the first stage, a capacity of 1.2 million wheels per year will be reached by the end of 2016, extending to full capacity of about 2 million wheels by the end of 2017. "Benefits of the new painting line, in addition to the capacity increase are an improved flexibility of the entire production process especially within silver and clear coat finishing and the manufacturing of very large wheel sizes of up to 24," said **Ralf Schmid**, CEO of Uniwheels. "The Group expects that the ramp-up process in the new plant will start in 2016 and the envisaged total capacity of approximately 2 million wheels per year will be achieved in 2018." Currently, the group has three major production plants, two of them located in Stalowa Wola, and one in Germany (Werdohl). The two factories in Stalowa Wola produced over 6 million wheels last year. Uniwheels supplied 75 percent of them to car manufacturers like **Audi, BMW/Mini, Mercedes-Benz, Jaguar/Land Rover, PSA** and **Volvo** as OEM shipments and the remaining volume was sold to the accessory market under the brands **ATS, Rial, Alutec** and **Anzio**. Uniwheels is one of the largest employers in Stalowa Wola region. As at the end of 2014 it employed over 1,800 people in two factories - the number of employees increased by over 15 percent compared to the previous year. The new plant will generate at least 250 additional jobs in Stalowa Wola. Polish employees constitute about 78 percent of Uniwheels's total staff.

### ***Polaris to add jobs and look for local suppliers***

**Polaris Poland Sp. z o.o.**, the plant located in Opole which was inaugurated in the autumn of 2014, plans to employ new workers this year, **Bogusław Dawiec**, the company's Director of Operations, told Nowa Trybuna Opolska. Currently the plant employs 223 people and it is expected to have some 250 employees in the second half of this year in conjunction with the launch of new models. While the Polish Polaris plant currently sources parts from North America, plans call for the involvement of local suppliers. "We will look for local suppliers, but we need to produce more so it pays for them to invest in expensive tooling. It's our goal for 2015," Dawiec is quoted as saying. Currently the plant produces about 20 quad, four razor and four ranger models. The current production volume is 40 quads and 16 side-by-side vehicles (razors and rangers) per day. Future plans call for the annual production of 25,000 to 30,000 units. Polaris vehicles manufactured in Opel are destined for markets in Europe, Middle East and Africa.

### ***Neapco to employ additional people in Praszka***

The **Neapco Europe Sp. z o.o.** plant in Praszka plans to add 50 to 70 new jobs this year, Nowa Trybuna Opolska reports. The supplier, which currently employs 863 people, created 50 new jobs last year.

### ***Volkswagen unveils new Caddy Maxi at Geneva Show***

Following the unveiling of the new Caddy (see Ceauto Newsletter 2015/6) **Volkswagen AG** introduced the latest version of its long-wheelbase Caddy Maxi at the Geneva Motor Show. The Maxi version features a 32 cm longer wheelbase. Cargo volume stands at 530 litres, which grows to 1,350 litres with the rear seats removed. Engine lineup is smaller compared to the standard Caddy with two petrol, three diesel options. Order books are now open with first deliveries starting in June.



### ***New automotive cluster in Podkarpackie Voivodeship***

A new automotive cluster has been established in the Podkarpackie Voivodeship (Województwo Podkarpackie), a region in the south-east of Poland which shares a border with Slovakia and Ukraine. The cluster is coordinated by the local development agency Tarnobrzaska Agencja Rozwoju Regionalnego. There are currently six members including **Federal-MogulGorzyce Sp. z o.o.**, **Firma Oponiarska Dębica S.A. (Goodyear)**, **Kirchhoff Polska Sp. z o.o.**, **Lear Corporation Poland II Sp. z o.o.**, **Pilkington Automotive Poland Sp. z o.o.** and **Uniwheels Production (Poland) Sp. z o.o.** Two universities - Politechnika Rzeszowska and Akademia Górniczo-Hutnicza - are also part of the project. **Ryszard Jania**, Chairman of the Board at Pilkington Automotive Poland, is head of the cluster.

### ***Russia***

#### ***AvtoVAZ's head Andersson on state support***

**OA O AvtoVAZ** is asking the Russian government for help in three ways, **Bo Andersson**, the company's President and CEO, explained in an interview with RBC-TV. "Firstly, to continue the recycling programme, because for us it is very effective" he said. According to Andersson, every ruble spent on the recycling programme for Lada cars returns one and a half rubles. Last year the company was able to earn RUB 2.9 billion selling 53,000 vehicles due to the recycling programme. "Secondly, we ask for subsidies to support exports" said Andersson, without specifying details. AvtoVAZ has also asked the government "to help with the sharp rise in steel prices" explained Andersson. "We have very good Russian suppliers of steel, but, in my opinion, they now behave extremely short-sighted. We supported them, and now they say that it is more profitable for them to sell steel abroad - because they earn more".

#### ***AvtoVAZ: More details on export plans for Lada cars***

**OA O AvtoVAZ's** President and CEO **Bo Andersson** has provided more information about export plans in an interview with RBC. As already reported earlier, AvtoVAZ plans to export about 100,000 cars this year, compared to 51,700 units shipped to foreign markets in 2014. According to Andersson, export contracts for about 70,000 cars are already signed. The company plans to increase exports to Kazakhstan by 25 percent to 50,000 cars. AvtoVAZ also will restart export shipments of **Lada** cars to Ukraine, contracts for 4,000 cars are signed. There also are agreements to export of about 4,000 Ladas to Azerbaijan, 2,500 to Germany and 5,000 to Egypt. Andersson also said that new markets are considered without providing more details.

#### ***AvtoVAZ to launch production of Euro 6 cars in May***

**OA O AvtoVAZ** will launch production of its **Lada** Granta and Kalina models equipped with Euro 6 engines and tire pressure monitoring systems (TPMS) and destined for European Union markets in May, said **Dieter Trzaska**, CEO of the German import company **Lada Automobile GmbH**, which is responsible for the distribution of Lada cars in Germany and Austria. According to Trzaska, the Lada 4x4 (known as Lada Taiga in Germany and Austria) will also receive an Euro 6 engine starting from May.



### ***UAZ launches farewell series of the Hunter***

In conjunction with the plan to phase out production of the **UAZ** Hunter at the end of 2015, **ОАО Ульяновский Автомобильный завод (UAZ)** has launched a special version. The farewell version is called the "Pobednaya seriya" (Victory series in English). "The creators of the "Podbyednaya seriya" were inspired by the main event in the history of Russia in 2015 - the 70th anniversary of victory in the World War II, the company said. The farewell series starts at RUB 549,000.

### ***Voronezh tyre plant reports significant production increase***

**ЗАО Воронежский Шинный завод (VShZ)**, the tyre plant located in Voronezh and owned by **Pirelli** and **GK Rostech**, manufactured about 1.322 million tyres last year, up 74 percent from 2013. Plans for 2015 call for the production of 1.920 million tyres, which would mean an increase by 46 percent compared to 2014. About 80 percent of all tyres manufactured in Voronezh are sold in Russia, the remaining volume is exported to the CIS countries and to Scandinavia. Last year's sales revenue was more than RUB 2 billion, compared to RUB 1.782 billion in 2013. VShZ acts as OEM supplier for **Ford**, **Mercedes-Benz**, **Nissan** and **Renault** vehicles. Rostech's head **Sergey Chemezov** spoke about plans for cooperation with **ОАО АвтоВАЗ** during a recent visit of Russia's Prime Minister **Dmitri Medvedev** to the plant.

### ***Ford dealers accept orders for next-generation Mondeo***

Russian **Ford** dealers are now accepting orders for the next-generation Ford Mondeo. The sedan, which is powered by a 2.5 litre gasoline engine with 149 hp, starts at RUB 1,099,000 considering Ford's recycling programme.

### ***Nissan launches sales of new X-Trail***

**Nissan Motor Co. Ltd.** has launched sales of the new-generation **Nissan** X-Trail. The vehicle, which is assembled at Nissan's plant in St. Petersburg, is available with 2.0 or 2.5 litre gasoline engines as well as 1.6 litre diesel engine. It starts at RUB 1.249 million,

### ***Change at the top of Subaru importer***

**Yoshiki Kishimoto**, who until now served as the head of one of the automotive divisions at **Sojitz Corporation**, was appointed new Managing Director of the importer **ООО Subaru Motor** effective as of the 1<sup>st</sup> of April. He replaces **Yoshiaki Ichimura**, who transfers to a new leading position at Sojitz's foods and agriculture business division. The Russian Subaru importer is also responsible for Belarus.

### ***South Korean car exports to Russia saw significant drop***

South Korean car exports to Russia declined sharply in January. According to statistics provided by the **Korea Automobile Manufacturers Association (KAMA)** and car manufactures, 3,097 new cars were shipped to Russia in January, down 71.5 percent from the 10,862 cars exported in January 2014.

### Slovakia

#### ***Kia to launch production of new engine in summer***

**Kia Motors Slovakia s.r.o.** will launch volume production of the new 1.0-litre T-GDi three-cylinder gasoline engine at its plant in Teplice nad Váhom in summer. Kia unveiled the engine at the Geneva motor show this week.

### Slovenia

#### ***Slovenia to receive 26 new fast charging stations this year***

Slovenia will get 26 new fast charging stations for electric vehicles by the end of 2015. The installation of new charging stations is part of the **Central European Green Corridors (CEGC)** project which is founded by the **European Union**. According to Slovenia's electricity system operator **SODO d.o.o.**, one of 14 partners in the CEGC project, the stations will be compatible with most electric vehicles.

### Uzbekistan

#### ***Uzbekistan adopts localization programme for 2015-2019***

Uzbekistan's President **Islam Karimov** has approved a programme of localisation and production for the years 2015 to 2019. According to the President's resolution the localisation programme should include projects which envisage production of competitive import-replacing and export-oriented products with a localisation level of at least 36 percent. The program includes 600 projects with a deep processing of local mineral raw materials, production of 1,225 most popular products. The estimated annual import replacement effect will be \$3.5 billion. Companies which are participating in the programme will receive tax and customs incentives for three years.

#### ***Uz-Koram to purchase new equipment in the fourth quarter 2015***

**OOO Uz-Koram Co.**, an Uzbek-South Korean joint venture which produces bumpers, dashboards and other parts, is planning to purchase production line for components from WLFT (glass fibre) in the fourth quarter of 2015. The project was included to the state investment programme for 2015. Initially the company is planning to launch production of Front Impact Beams for the **Chevrolet/Daewoo** Gentra (J200 MCE) model at the new line. U-Koram is also working on launching production of seat components for Gentra such as Frame A-F/Cush, LH/RH, Frame A-R/Back, LH/RH.



## NEWS FROM MIDDLE EAST AND AFRICA

### Iran

#### ***Iran Khodro's head on production of environmentally friendly cars***

**Iran Khodro Industrial Group (IKCO)** says it is planning to maximise production of fuel efficient engines. "Producing fuel efficient, turbocharged and hybrid engines are some of the environmental preservation programs that IKCO has targeted," said IKCO's CEO and President **Hashem Yekehzare**. "All **IKCO** cars meet Euro IV standard while car production process has been upgraded to meet this standard as well," said Yekehzare. "By doing so, fuel consumption has decreased by 5 to 7 percent and our cars' emissions has dropped by 50 percent". According to the CEO, IKCO manufactures more than 1,200 sets of TU3, TU5 and EF7 engines with the average fuel consumption of 6 to 7 litres per 100 kilometre per day and this number is supposed to increase to 1,500 sets by the end of this year. The company has started production of 1.2 and 1.4-litre fuel efficient engines and is studying development of turbocharged engines. IKCO has also started the pre-production of Soren equipped with diesel engine. The engine covers Euro V standard and the sedan is supposed to hit the market later this year (in the next Iranian year).

#### ***Iran Khodro reports production figure for first eleven months of 1393***

**Iran Khodro Co. (IKCO)** manufactured 233,847 cars and pickups in the first eleven months of the Iranian year 1393 (21<sup>st</sup> of March 2014 to 20<sup>th</sup> of February 2015), up 72 percent compared to the same period of the previous year.

#### ***Pars Khodro reports significant production increase***

**Pars Khodro** said it has manufactured 90,927 vehicles in the first ten months of the Iranian year 1393 (21<sup>st</sup> of March 2014 to 20<sup>th</sup> of January 2015), up 85 percent compared to the previous year. In the 10th month called Dey (21<sup>st</sup> of December to 20<sup>th</sup> of January) the production increased by 153 percent to 10,269 vehicles.

### Saudi Arabia

#### ***Messe Frankfurt announces Automechanika in Saudi Arabia for 2016***

**Messe Frankfurt GmbH** is expanding the international network of the **Automechanika** brand with the addition of an event in Saudi Arabia. **Automechanika Jeddah** will be held from the 26<sup>th</sup> to the 28<sup>th</sup> of January 2016 in the **Jeddah Centre for Forums & Events**. Automechanika Jeddah will be organised by **Messe Frankfurt Middle East GmbH** which is headquartered in Dubai together with Saudi Arabian organiser **Al-Harithy Company for Exhibitions (ACE)**.

### South Africa

#### **BMW celebrates one-millionth 3 Series Sedan**

The one-millionth **BMW** 3 Series Sedan rolled off the assembly line at the **BMW Group South Africa (Pty) Ltd.** plant in Rosslyn. Established in 1973, Rosslyn was **BMW AG's** first foreign plant. In 2014, more than 2,960 workers at the Rosslyn plant built 68,771 BMW 3 Series Sedans for the local and export markets. Exports increased by more than 17 percent last year. Since 2010, the plant has been producing the 3 Series Sedans with all-wheel drive (xDrive). "With a high demand for all-wheel drive vehicles in markets like the North American Free Trade Agreement region, huge potential for export numbers to increase exists," said **Tim Abbott**, Managing Director of BMW Group South Africa. BMW South Africa directly and indirectly employs over 43,000 people. The figure includes 3,737 associates at the plant and at the national sales organisation, 3,780 dealer staff and more than 36,000 first-tier supplier employees.

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### THIS WEEK ON CEAUTO.CO.HU

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**New car market in Russia: 115,390 new passenger cars and LCVs were sold in January, 2015**

<http://ceauto.co.hu/news/new-car-market-in-russia-january-2015-figures-are-released>

**New car market in Czech Republic: 16,820 new light vehicles were registered in January, 2015**

<http://ceauto.co.hu/news/new-car-market-in-czech-republic-january-2015-figures-are-released>

**New car market in Slovenia: 5,840 new light vehicles were registered in January, 2015**

<http://ceauto.co.hu/news/new-car-market-in-slovenia-january-2015-figures-are-now-available>

**New car market in Bulgaria: 1,790 new passenger cars and LCVs were sold in January, 2015**

<http://ceauto.co.hu/news/new-car-market-in-bulgaria-january-2015-figures-are-released>

**New car market in Serbia: 1,160 new passenger cars and LCVs were sold in January, 2015**

<http://ceauto.co.hu/news/new-car-market-in-serbia-january-2015-figures-are-released>

**New car market in Bosnia-Herzegovina: 400 new light vehicles were registered in January, 2015**

<http://ceauto.co.hu/news/new-car-market-in-bosnia-january-2015-figures-are-now-available>

**New car market in Macedonia: 259 new passenger cars and LCVs were sold in January, 2015**

<http://ceauto.co.hu/news/new-car-market-in-macedonia-january-2015-figures-are-released>

**New car market in Moldova: 240 new light vehicles were registered in January, 2015**

<http://ceauto.co.hu/news/new-car-market-in-moldova-january-2015-figures-are-released>

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### IMPRINT

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