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NEWS

International

Magna may sell Interiors Unit to Grupo Antolin

Magna International Inc. is in talks to sell its car-interior business to **Grupo Antolin-Irausa S.A.**, Bloomberg has reported quoting unnamed people familiar with the matter. According to the news agency, an agreement may be reached as early as April, though talks could still be delayed or fall apart.

Czech Republic

Brano launches own production of plastic parts in the business unit Door Systems

In conjunction with new orders from **Volkswagen AG** and increasing internal and external purchasing volumes for plastic parts, the **Business Unit Door Systems (SBU DS)** of **Brano a.s.** in Hradec nad Moravicí is establishing its own production of plastic parts. "At present we already have two presses, by the end of May

there will be another five, and according to the start of projects we will have a total of fifteen," said **Jozef Hodor**, Director of SBU DS. The production will be located in the main assembly hall of SBU DS. In addition to the production of plastic parts for new order destined for **Škoda** and **Audi** production of some other parts will be moved from Brano's SBUs in Zubří and Uničov to Hradec nad Moravicí.

Brano reports new contract from Volvo

Brano a.s. has received a new contract from the **Volvo Car Corporation**. "We have a nomination letter for the bonnet locks for Volvo in China and seek the nomination for Europe. It is the unified platform Volvo SPA," said **Jozef Hodor**, Director of Brano's **Business Unit Door Systems (SBU DS)**.

Hungary

Mercedes-Benz hikes production in 2015

Thomas Geier, plant director of **Mercedes-Benz Manufacturing Hungary Kft**, announced that the Kecskemét plant produced over 150,000 cars in 2014 and plans further increases this year. Last year the company manufactured 150,278 cars, up 37.5 percent from 2013. The plant is now focusing on the production of the **Mercedes-Benz CLA** which is being offered in two body styles. Production of the B-Class mainly takes place in Rastatt he added. He also hinted at the possibility of setting up more JIT supplier plants adjacent to the Kecskemét facility.

Poland

Volkswagen Poznań to employ almost 900 new people

Volkswagen Poznań Sp. z o.o. will create almost 900 new jobs in conjunction with the production of the new-generation **VW Caddy**, the company said. "The employment of nearly 900 new employees in a relatively short period of time must result in a change in the organisation of working time and the need for a joint development of effective solutions on the matter," said **Jolanta Musielak**, the company's Member of the Board responsible for HR. The Management Board of Volkswagen Poznań had already reached an agreement with the unions on a new organization of working time. "I am glad that I can officially announce that yesterday, after several rounds of negotiations with trade union representatives we have signed the relevant agreement in this case." Volkswagen Poznań currently employs more than 7,000 workers in three plants which include vehicle production as well as a foundry. Last year the company manufactured about 175,000 vehicles (150,000 Caddy and Caddy Maxi plus 25,000 Transporter) and 3.3 million castings. 30,847 vehicles were produced in the first two months of 2015.

Romania

Dacia and Romturingia unveil ambulance version of the Duster

Automobile Dacia S.A. and the independent body builder **Romturingia S.R.L.**, which is located in Câmpulung Muscel, have announced the delivery of the first Duster vehicles destined for ambulance services. The vehicle

is the result of cooperation between **Renault Technology Roumanie (RTR)** and Romturingia. The roof was raised and the vehicle stretched by 300 mm, extending the rear overhang. The first Duster ambulance vehicles are delivered in Angola, therefore they wear the **Renault** brand. In October 2014, Dacia and Romturingia unveiled a Duster pickup destined for the **OMV Petrom** fleet.



Dräxlmaier recruited 1,250 people last year

German supplier **Fritz Dräxlmaier GmbH & Co. KG** have recruited about 1,250 new employees for its five Romanian plants in Satu Mare, Timișoara, Pitești, Codlea (Brașov) and Hunedoara, Ziarul Financiar reports. Currently the company employs some 15,000 workers in Romania and it continues recruitment activities.

National Instruments opens new R&D centre

National Instruments Romania, a subsidiary of US IT solutions supplier **National Instruments Corporation**, has inaugurated its new 1,800 square metre research & development centre in **The Office**, an office building in Cluj-Napoca. The new R&D centre will provide sales and customer service activities in addition to research. National Instruments' customer portfolio includes customers from education, automotive, electronic, energy or public sector segments.

Russia

PCMA to halt output again

OOO PCMA Rus, the joint venture owned 70 percent by **PSA Peugeot Citroën** and 30 percent by **Mitsubishi Motors Corporation**, will halt production at its plant in Kaluga again. Production of the **Citroën C4** sedan and **Peugeot 408** will be interrupted from the 27th of April to the 10th of July. The output of **Mitsubishi Outlander** and **Pajero Sport** SUVs will be stopped from the 27th of April until the 12th of May. The company will cut 100 jobs.

AvtoVAZ appoints new Vice Presidents

Nikolay Strokov, who until now served as Director of the assembly of cars based on the **Lada Kalina** platform (Lada Kalina and Granta, **Datsun** on-DO and mi-DO) at **OAO AvtoVAZ**, has been appointed new Vice President responsible for Production. He takes over some of the tasks of **Huges Desmarchelier**, AvtoVAZ's Executive Vice President for Manufacturing, Engineering, Product Planning and Projects. Desmarchelier will take over a new position of Executive Vice President with responsibility for electric cars at the **Renault-Nissan Alliance**. At the same time, AvtoVAZ confirmed the appointment of **Harald Grübel** as Vice President of Engineering. Grübel, who takes over some other tasks of Desmarchelier, will be responsible for the R&D, design and product and programmes department. Prior to his appointment at AvtoVAZ, Grübel served as President and CEO of **Consulting4Drive GmbH** in Germany, a wholly owned subsidiary of the **IAV Automotive Engineering Group**, between 2006 and December 2014. Prior to that, Grübel was Vice President at **MBtech North America** (2003 to 2006) and President and CEO of MBtech's subsidiary **RMCTech** in Germany (2001 to 2006).

Anvis to close production in Russia

The supplier **Anvis Deutschland GmbH**, a subsidiary of Japan's **Sumitomo Riko Co. Ltd.**, will phase out production of anti-vibration components at its Russian plant **OOO Anvis Rus** in Togliatti in mid-2015. "The uncertain geopolitical situation and the worsening recession in Russia have prevented the company from receiving a return on investment up to now and are increasingly hurting the earnings of the entire Anvis Group," Anvis said in a statement. The company has decided to relocate its production operation from the plant in Russia. "This decision will not affect our local presence in any way" said **Olaf Hahn**, Managing Director of the Anvis Group. "Both our local sales unit and the development centre will remain in Russia. As a result, they can continue to work closely with customers and meet their needs". The production operation will continue to deliver components through the end of June. After June, Anvis will source parts destined for Russia from its plants outside the country. "Unfortunately, the large amount of money that we have invested in the expansion of capacities has not yielded any positive results" said Hahn. "As a result of the relocation of production operations, we will be unable to avoid redundancies" Hahn said. "We will try to keep them to a moderate level and will provide assistance to affected workers". The Togliatti plant began producing engine mounting systems, vibration dampers and chassis components in 2010. Most recently, the plant employed more than 100 employees who generated annual turnover of €10 million.

Ford Sollers interrupts Focus production

OOO Ford Sollers Holding has interrupted production of the **Ford Focus** at its plant in Vsevolozhsk until mid-May, *Za Rulyom.RF* reports. The model may be assembled in small volumes in case of orders. The assembly of the Mondeo continues. Assembly of the new-generation Focus is expected to be launched in mid-2015. According to the report, the Vsevolozhsk plant will work on four days per week in May and it could switch to a three-day-week in June.

GM may restart activities in Russia in the future

General Motors Co. reported to the Ministry of Industry and Trade its intention to return as soon as circumstances permit, **Andrey Durov**, the Deputy Head of the ministry, said. "They said that they would preserve the plant in St. Petersburg and if they see a trend in the market, they quietly return" Durov is quoted as saying by Interfax.

Hyundai plans export to markets outside to CIS countries

OOO Hyundai Motor Manufacturing Rus, the company which produces **Hyundai Solaris** and **Kia Rio** cars at its plant in St. Petersburg, plans to organise exports outside of the CIS countries. The company has already applied for certification of products for export to other markets. Last year the company exported more than 26,000 cars, about 11 percent of its total production. About 85 percent of total export shipments were destined for Kazakhstan, large portions of cars were also exported to Belarus and Azerbaijan.

Three regions in Northern Caucasus plan automotive cluster

Three Russian regions located in the Northern Caucasus – the Stavropol Region, Karachay-Cherkess Republic and the Republic of Chechnya – are planning the establishment of a special economic zone for production of cars. **Vladimir Vladimirov**, Governor of the Stavropol Region, talked to local media about the progress of the project. "The agreement on the establishment of a special economic zone "Cherkessk-Argun-Stavropol" was ratified by the Head of all three regions. Our application has already been submitted to the Ministry of Economic Development of the Russian Federation. If all of us together will work hard, then the special economic zone will be created in six months," said Vladimirov. The Governor explained that the Stavropol region is going to form its part of the automotive cluster in the next two years. It is about creating the production of passenger cars of leading Chinese brands with a capacity of 200,000 cars per year. The first stage which calls for the production of 100,000 cars per year is expected to create about 2,000 new jobs. In parallel, plans call for the development of part production. According to Vladimirov the level of localisation is expected to reach 50 percent by 2022.

Stavropol Region: Plans for car production are not new

The Stavropol Region has been trying to establish car production in its territory for several years. In 2012, **Viktor Shurupov**, Vice Premier of the Stavropol Region, told the RIA Novosti news agency that contract assembler **OOO AK Derways** is interested in a location for a plant to produce 50,000 to 60,000 cars a year. Shurupov mentioned the city of Nevinnomyssk, about 47 km north of Derways' current location in Cherkessk, as a possible site for the new facility.

Russian subsidies for regions with automotive industry

Tatarstan and the Samara Region will receive subsidies from federal budget because of problems of the automotive industry located in the regions. "Today we will distribute nearly 2-billion-rubles-worth of subsidies between several federation constituents, including Tatarstan, Altai, Samara region and Tver region. The regional authorities will be able to spend the money on job training for people who have lost their jobs or are at the risk of being made redundant, as well as to create temporary jobs. Besides, the money will be used to create new jobs for people for whom finding a job in the crisis is difficult, I mean younger people and people with disabilities," Russia's Prime Minister **Dmitry Medvedev** said according to the Prime news agency. According to the homepage of the Russian government, the amount to be spent on subsidies for the two regions this year is RUB 1.87 billion. "Obviously, the aid will be given to the most important manufacturers in the regions facing economic difficulties. The situation there is close to critical. I mean the automotive industry. We have talked about it at various staff meetings. It is the reason for selecting these constituents. There are **Kamaz**, **AvtoVAZ**, **Altaivagon**, **Tverskoy Vagonostroitelny Zavod**," Medvedev is quoted as saying. Medvedev expects that some 35,000 people will receive jobs or new qualifications as a result of the subsidies.

Audi expects higher market share

The **Audi** brand expects to achieve a 1.5 to 2.5 percent market share this year in Russia, **Achim Saurer**, Head of **Audi Russia**, told journalists in St. Petersburg. "We believe that our share in 2015 will be more than last year, but this is not due to the fact that we are selling very successfully, but to the fact that the market is decreasing stronger than our sales" Saurer is quoted as saying by Interfax. "We do not have a clear plan (regarding the increasing the market share in 2015), the approximate range is 1.5 to 2.5 percent;" said Saurer. In the first two months of 2015, Russian Audi sales decreased by 22.7 percent to 3,502 units according to the Association of European Businesses. The market share increased from 1.3 to 1.4 percent. Saurer declined to comment on the reasons for the phase out of the Audi Q5 and Q7 assembly at the **VOO Volkswagen Group Rus** factory in Kaluga in early 2015, noting that the assembly A6 and A8 models continue because "we were considering no other alternatives".

AvtoVAZ unveils new Lada badge

ОАО AvtoVAZ has officially unveiled the new **Lada** badge at the Mir avtomobilya motor show in St. Petersburg. It is a modified version of the current badge. The first car to wear the new brand logo will be the Lada Vesta.



Nissan launches sales of new Tiida

Sales of the new **Nissan** Tiida hatchback are under way in Russia. The new model, which is powered by a 1.6 litre engine with 117 hp, starts at RUB 839,000. The Tiida is manufactured at the **IzhAvto (OOO OAG)** plant in Izhevsk which belongs to **OAO AvtoVAZ**.

Suzuki to import sedan Alivio

Russian importer **OOO Suzuki Motor Rus** plans to launch sales of the **Suzuki** Alivio sedan in the second half of 2016. The car, which is powered by a 1.25 litre engine, is to be sourced from Thailand. Volume production will start in Thailand in June. The car is already manufactured at **Maruti Suzuki** in India and **Changan Suzuki** in China. The sedan is known as Ciaz in Thailand and India as well as Alivio in China. The model name for Russia will be Alivio.

EPK Volzhsky to increase bearing production for OAO AvtoVAZ

The supplier **OAO EPK Volzhsky**, which is located in Volzhsky, will increase the production of cylindrical roller bearings destined for **OAO AvtoVAZ** by 35 percent starting from April.

Serbia

Tigar to build plant for rubber mixtures

Tigar AD plans to invest more than €1 million in the construction of a factory for rubber mixtures in Pirot. The project will be implemented in two stages. In the first phase the manufacturing premises will be constructed while a warehouse for raw materials will be added in the second phase. The total covered space of the project is about 3,000 square metres, of that 1,700 square metres will be manufacturing space.

Yura to add 400 people in Niš

South Korean supplier **Yura Corporation** will hire over 400 new workers at its factory in Niš, the National Employment Service announced in its publication Poslovi. "We have finished the installation of new conveyor belt and, given that we are additionally expanding production, the plan is to hire about 400 new workers by the end of May," **Lucas Nam**, the deputy director of **Yura Corporation Serbia**, is quoted as saying. In Serbia, Yura currently employs about 5,300 people at its plants in Rača, Niš and Leskovac.

Slovakia

PSA to raise annual capacity in Trnava to 360,000 with new Citroën model

PCA Slovakia s.r.o., the Slovak subsidiary of **PSA Peugeot Citroën**, has confirmed production plans for a new model under the **Citroën** brand at its plant in Trnava. The company did not name the new model but previous reports have said the automaker will move production of the Citroën C3 from its factory in Poissy, France, to Trnava. PCA Slovakia just said that it will be a new model in the B Mainstream segment model with production to start "in two years at the latest". The investment for the new model in Trnava will be €80 million. For at least some months the factory will manufacture three models – the new Citroën, the **Peugeot**

208 and the Citroën C3 Picasso, which will be phased out later. "This new vehicle will help us move our ambitions and allow us to achieve production in 2017 of 360,000 vehicles," **Rémi Girardon**, the head of PCA Slovakia, said at a press conference at the plant. Last year the company manufactured 255,176 cars, up 2.7 percent. The total figure included 206,562 Peugeot 208 and 48,614 Citroën C3 Picasso. Last year's production was a new record for the plant, but the utilisation was only at 85 percent. The factory is expected to lift output to 275,000 cars this year and maintain that level in 2016. For 2017 the company plans a big production jump with up to 360.000 cars to be manufactured. According to Girardon, the pessimistic forecast for 2017 are 330,000 cars. "The decision of the group to produce a new model just in Trnava manufacturing centre will strengthen its future specialisation in production of models of the B Mainstream segment and confirm profiling of Trnava as "exceptional plant" for the production of this segment," PCA Slovakia said in a statement.

PCA Slovakia plans slight capacity increase

PCA Slovakia s.r.o. is planning a slight capacity increase. Starting from May, the production will be increased from 57 to 60 cars per hour. The investment for the measure, which creates 15 new jobs, is about €1.5 million.

Turkey

Toyota prepares for the launch of a new model

Orhan Özer, General Manager and CEO of **Toyota Otomotiv Sanayi Türkiye A.Ş.**, announced that the Sakarya factory will launch production of a brand new model in the "second half of next year". He also said that the Turkish factory will be the global production hub for this new car. "With the help of the new model we will be able to switch to three-shift production" emphasised the manager.

Bosch opens revamped plant in Bursa

Bosch Braking Systems (Bosch Fren Sistemleri) has opened its upgraded plant in the Bursa Organised Industrial Zone (BOSB) which now has a capacity of 2.2 million brake boosters a year. The company invested €500 million into the plant since 2010. "For the first time in the world the Bursa factory will produce the new Tie-Rod 4 Servo Brake from 2016" said **Frieder Megerle**, plant manager at the opening ceremony.

Dytech is hiring

Dytech Otomotiv Sanayi Tic. Ve Pazarlama Ltd, the Kocaeli-based subsidiary of **Dytech Dynamic Fluid Technologies S.p.A.**, is hiring 100 new workers to cope with new orders, regarding the supply of fuel and power steering lines to the **Fiat 500X** and **Jeep Renegade**.

3M launches innovation centre in Istanbul

3M Company has opened a Customer Innovation Centre in Istanbul. The centre is located at 3M's Kavacak office. The US-based company is currently building a manufacturing plant in the Corlu district of Tekirdag Province. The production hub investment amounts to \$500 million and has been realised with the assistance of the **Investment Support and Promotion Agency of Turkey (ISPAT)**.

Turkey/Romania

Rail Cargo Austria and Hödlmayr transport BMW cars to Turkey with block train system

Rail Cargo Austria and **Hödlmayr International AG** have launched a weekly scheduled block train system for transport of **BMW** vehicles from Hödlmayr's site in Schwertberg, Austria to the port city Tekirdag, Turkey, about 100 kilometres west of Istanbul. The delivery to Schwertberg and the further transport in Turkey is ensured by Hödlmayr's truck fleet. "About 200 vehicles per week are transported from the BMW production plants in South Bavaria to Turkey" explains **Andreas Sundl**, general manager of **Hödlmayr Logistics Austria**. The preparations took about one year, including three test runs, where lead times, loading factors and organisational bureaucratic obstacles were tested. "Regarding costs we had to live within our means in order to keep up with the otherwise common sea transport of the vehicles. In the end the advantages of our concept prevailed" says Sundl. Lead times were reduced by three to four days which has positive effects on capital commitment costs. The transport route can be reliably calculated by the customer, the risk of waiting times in ports no longer applies. The changeover to shift operation for truck drivers ensures a trouble-free collection from the plants. "Up to now transport with block train systems was only chosen as an alternative if for example extraordinary weather situations impaired smooth sea transport" explains **Joachim Kemmler**, general manager of **VAKO Logistik**, the partner of the Turkish BMW importer responsible for logistics. On the way back from Turkey trains run fully loaded from Romania to the Benelux countries. The needed utilisation is also ensured for the route from Belgium to Schwertberg. For such an ambitious block train system adequate export volumes are required. Kemmler: "The advantages of the system can only be effective when the train operates on a weekly basis as planned. This calculable continuity leads to the positive effects" says Kemmler. In 2015 in total 9,000 new vehicles are be transported to Turkey on this route.

Uzbekistan

MAN joint venture to produce cabs

OOO JV MAN Auto-Uzbekistan, a joint venture owned by **AK Uzavtosanoat** (51 percent) and **MAN Trucks & Bus AG** (49 percent) is implementing a project on production of cabs for **MAN** trucks. The Government of Uzbekistan issued a resolution "On measures on further developing production of heavy trucks of the MAN brand" which includes details on the construction of new premises needed for the cab project. According to the document, **AO Uzogirsanoatloyiha** is a general developer of pre-project and project documentation, while **DP ToshIES-Qurilish** which belongs to **AO Uzbekgidroenergoqurilish** is a general construction organisation of the project. **OOO O'zavtosanoat-Injiniring** will be responsible for the technical supervision over quality of the construction project.

NEWS FROM MIDDLE EAST AND AFRICA

Africa

Nissan to add African markets for Datsun brand

After the launch of the **Datsun** brand in South Africa in October 2014, **Nissan Motor Co. Ltd.** is adding more markets for its low-cost brand in the region. „We will launch Datsun in very exotic markets like Mozambique, Botswana and other markets of the Southern part of Africa in the next weeks,“ said **Vincent Cobee**, Nissan's Corporate Vice President responsible for the **Datsun Business Unit**.

Egypt

GB Auto received non-objection to the publishing of a Public Subscription Notice

GB Auto S.A.E. announced that it received a non-objection from the Egyptian Financial Supervisory Authority to the publishing of a Public Subscription Notice relating to the proposed rights issue. As part of the rights issue, GB Auto will issue to its shareholders up to 960,000,000 new ordinary shares on a pro-rata basis at par (EGP 1 per share, plus issuance fees of EGP 0.01 per share), paid either in cash and/or through the capitalization of debt owed by GB Auto to its shareholders. Each eligible holder of GB Auto's ordinary shares as of the 29th of March 2015 will have a right to participate in the rights issue and subscribe for the new ordinary shares, with a subscription ratio of 7.09 new ordinary shares for one existing ordinary share of GB Auto. Fractional entitlements to the new ordinary shares will be rounded up in favor of minority shareholders, starting with shareholders with the smallest holdings. The subscription period is expected to end on the 30th of April. GB Auto may close the subscription period earlier in the event that the rights issue is fully subscribed to prior to the 30th of April. Proceeds from the rights issue will be used to invest in a tire manufacturing facility and a motorcycles and three wheelers assembly project.

Iran

Zamyad to launch production of DFSK vans this year

Zamyad Khodro, a subsidiary of the **Saipa Automotive Group**, will start assembly of Chinese-made **DFSK** vans this year, according to **Pang Hai**, General Manager of the company **Chongqing Sokon Motor (Group) Import & Export Co. Ltd.**, which is responsible for the export of DFSK vehicles. **Fereydoun Hamidi**, the CEO of Zamyad Khodro, also confirmed plans for the launch of DFSK assembly in 2015 to Iranian media. During the last months, Zamyad exhibited DFSK vehicles at several shows in Iran with both DFSK and Zamyad badges.

UPCOMING EVENTS

- » April, 9-12: POZNAN, POLAND: MOTOR SHOW
<http://www.motorshow.pl>
- » April, 23-24: ALMATY, KAZAKHSTAN: EURASIA BUSINESS FORUM
<http://www.ebf.kz>
- » April, 28-29: KRAKOW, POLAND: AUTOMOTIVE CEE DAY
<http://www.automotiveceeday.eu>
- » 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/>
- » June, 2-3: VIENNA, AUSTRIA: AUTORETAIL EUROPE
<http://www.autoretail-europe.com>
- » October, 28-30: BUDAPEST, HUNGARY: AUTOMOTIVE HUNGARY
<http://automotiveexpo.hu>

IMPRINT

Editor: Peter Homola, Phone: +43 664 124 4870 E-mail: peterhomola@ceauto.at

Chief Correspondent: Csaba Delényi. Phone: +36 30 862 7287. E-mail: dc_saba@ceauto.co.hu

Copy Editor: Timothy Rawson

Layout Editor: Katalin Böröcz

Publisher: Pal Negyesi. Phone: +43 664 883 60 677. E-mail: pnegyesi@ceauto.at
ceauto GmbH, Garnisongasse 7/21, 1090 Wien, Austria

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