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NEWS

Bulgaria

Trelleborg acquires outstanding share of liquid silicone rubber operation in Pernik

Trelleborg AB has, through its business area **Trelleborg Sealing Solutions**, utilised an option from 2011 to acquire the outstanding 50 percent of the shares in **Trelleborg Sealing Solutions Silcotech Bulgaria OOD**, with a production unit in Pernik, 40 km south of Sofia. Its main focus is the production of precision moulded seals in liquid silicone rubber (LSR) for various industries.

Czech Republic

Hyundai reports production of almost 81,000 cars in the first quarter

During the first quarter of 2015, **Hyundai Motor Manufacturing Czech s.r.o.** produced almost 81,000 cars at its plant in Nošovice. The Hyundai ix35 accounted for 58 percent of the total production, followed by the i30 (29 percent) and then the ix20 (13 percent). The largest market for Czech-made Hyundai cars was the UK, followed by Germany, Spain, Italy and the Czech Republic. Russia, last year the market number two, was only the sixth largest market in the first three months of the year. The most important markets outside of Europe are Australia, Egypt, Mexico and South Africa.

Hyundai plans additional shifts in the second quarter

Hyundai Motor Manufacturing Czech s.r.o. plans several additional Saturday shifts at the Nošovice factory in the second quarter of 2015. "The number of additional shifts has not yet been determined and will depend on the needs of production. There always will be two shifts, morning and afternoon, which will follow the standard night shift from Friday to Saturday," said spokesman **Petr Vaněk**. The company, which has manufactured almost 81,000 cars in the first three months of this year, plans to make 330,000 vehicles across the whole year.

Hyundai reports higher share of rail transport

Hyundai Motor Manufacturing Czech s.r.o. is increasing the share transported by rail from its Nošovice site. While the long-term share of cars transported by rail was 30 percent, it increased to 35.6 percent in the first quarter of 2015.

Czech Republic/United Arab Emirates

Ashok Leyland sells Czech Avia plant to UAE subsidiary

Ashok Leyland Ltd. has sold 100 percent ownership interest in the Prague-based plant **Avia Ashok Leyland Motors s.r.o.** to its subsidiary **Ashok Leyland (UAE) LLC** which is located in the United Arab Emirates for \$10.96 million according to the company's report to the National Stock Exchange of India. The Czech plant phased out production of **Avia** trucks in 2013. **Vít Šubert**, chief clerk of Avia Ashok Leyland Motors, told the Czech website E15.cz that the major part of production equipment including the paint shop are intact and production activities could be started quickly if needed. Ashok Leyland only transferred press forms for the cab parts to India, said Šubert. Now the company, which is mainly managing distribution of spare parts for Avia trucks, employs 11 people.

Hungary

Le Bélier launches investment program in Hungary

As reported earlier in the Ceauto Newsletter, **Le Belier Magyarország Zrt.** will invest HUF 8 billion to develop its Ajka site. First phase of the project, which was officially launched on the 3rd of April, will see the creation of 100 new workplaces, thanks to an order from a German car maker. It is supported by a HUF 507 million EU grant.

Knorr-Bremse completes development project

Over the last three years **Knorr-Bremse Fékrendszerek Kft** together with the Budapest University of Technology have been developing a new electronic braking system for heavy-duty commercial vehicles. The company has announced that the HUF 700 million project has now finished.

Kazakhstan

Astana Motors to assemble FAW commercial vehicles

Kazakh company **KMK Astana Motors** and Chinese vehicle manufacturer **China FAW Group** signed a memorandum on the assembly of **FAW** commercial vehicles in Kazakhstan. Plans call for the assembly of a wide range of vehicles, including light and heavy trucks and trucks with different bodies. The vehicles are also to be exported. Astana Motors already assembled the first batch of pilot vehicles with 6 to 40 tons in the fourth quarter of 2014. Plans call for the assembly of up to 300 vehicles this year, 600 in 2016 and 1,000 in 2017. The plan figure for 2017 includes 800 trucks and 200 buses. The Kazakh company aims to achieve localisation of 30 percent in late 2015 and 40 to 50 percent in 2016. Astana Motor's current assembly facilities are to be expanded by 2,000 square meters in order to accomodate welding and painting operations by 2017 and by another 2,000 square metres destined for the assembly of city and intercity buses by 2018.

Poland

Toyota to open shared services centre in Wrocław

Toyota Motor Europe S.A./N.V. will open a Shared Services Centre in Wrocław in order to provide a part of accounting services for Toyota's subsidiaries in European countries. "The centre will be responsible for a section of accounting services for the entire Toyota Motor Europe structure: its branches, subsidiaries, production facilities, marketing and sales companies and logistics centres in particular countries" said **Zbigniew Oczkowski**, General Manager of **Toyota Motor Industries Poland**. The aim is to consolidate vendor settlement which is now conducted separately in 18 entities located in 14 countries. The new centre, which will be operational in June, will employ 38 people.

General Motors opens Global Business Services Centre in Tychy

General Motors Co. has officially opened its new Global Business Services Centre in Tychy today. This new shared service centre will offer support to over 20 local **Opel/Vauxhall** facilities in Europe providing services from serving as the first point of contact for employees in all HR related matters to data maintenance, expense reporting and training. Presently, 90 consultants out of a total of 120 have already been hired. The newly opened centre is part of **General Motors Manufacturing Poland Sp. z o.o.** and is located in the Tychy plant facilities.

Fiat Auto Poland changes name

Fiat Auto Poland S.A. has changed its name to **FCA Poland S.A.** effective from the 1st of April. While FCA Poland's car plant is located in Tychy, the company remains headquartered in Bielsko-Biała.

Gestamp to make additional investment in Wrocław

Gestamp Wrocław Sp. z o.o. will make a new investment of PLN 69 million at its site in Wrocław. The project is expected to create at least 20 new jobs.

Sitech signs cooperation agreement with Politechnika Wrocławska

Supplier **Sitech Sp. z o.o.** and Wrocław-based university Politechnika Wrocławska have signed an agreement that will allow the practical training of students of the Faculty of Mechanical Engineering. The university is one of the first in Poland, which will introduce dual studies. From the second year of studies of Mechanical Engineering a selected group of students will receive the opportunity to continue their education in the new mode. It will be a combination of education at the university with practical classes in the enterprise. The topic of the engineering thesis is also to be connected with activities at Sitech. There also will be an additional examination organised by the **Polish-German Chamber of Industry and Commerce** which will allow students to get a degree in the field of construction machinery and equipment.

Romania

Renault appoints new Head of Romanian engineering centre

Pascal Candau (53) was appointed new Managing Director of **Renault S.A.**'s engineering centre **Renault Technologie Roumanie (RTR)**. He replaced **Sorin Bușe** who held this position from 2010 and will take over other tasks at the group. From 2013 Candau served as Entry Segment Chief Engineer at Renault's Technocentre in France. Prior to that he was Deputy Managing Director of RTR responsible for the Engineering Vehicle Division between 2012 and 2013. RTR employs over 2,100 people at its sites in Bucharest, Titu and Mioveni.

Ford appoints new Head of Romanian distribution company

Valerio Brenciaglia (45) was appointed as new managing director of the **Ford Romania National Sales Company**. He replaced **Zoltan Brassai**, who joined **Ford of Europe** as brand director - Large Cars. Brenciaglia recently served as Field Operations Manager at **Ford Italia S.p.A.** Prior to that he worked for Ford in Romania as Marketing Manager (December 2011 to July 2012) and Marketing & Sales Director (July 2012 to October 2013).

Romania/Bulgaria

Change at the top of Gefco

Jérôme Chevrolet, **Gefco** Area Manager for the Balkans and General Manager of the Bulgarian subsidiary since May 2013, has been appointed general manager of Gefco's subsidiary in Romania in addition to his current duties. Prior to his appointment in Bulgaria, Chevrolet was General Manager of Gefco's subsidiary in Ukraine for almost six years. In Romania Chevrolet replaces **Christophe de Korver** who left Gefco.

Russia

Volkswagen to export Russian-made engines

OOO Volkswagen Group Rus will export engines which will be made in the company's new engine plant in Kaluga. The factory, which will initially build 1.6 litre gasoline engines, is expected to be officially opened in the second half of 2015. "First we thought that the facility will be utilised with production of engines for Russia, but now the situation has changed. We intend to export engines to Europe," **Miroslav Kroupa**, Director of the Region Russia / CIS at **Škoda Auto a.s.**, said in an interview with Gazeta.ru.

Renault to supply Duster cars and later assembly kits to Vietnam

ZAO Renault Russia will supply the **Renault** Duster cars to Vietnam, Russian Industry and Trade Minister **Denis Manturov** told reporters during his visit to Vietnam. According to Manturov these would be duty-free shipments for a period of one year with subsequent localisation. The localisation will mean assembly of the Renault Duster in Vietnam from kits sourced from Russia. The Duster is to be assembled at the **TCIE Vietnam** facility, located in Hoa Khanh Industrial Park in Da Nang City's Lien Chieu district, which was established in cooperation between the **Tan Chong Motor Holdings** of Malaysia and **Nissan Motor Co. Ltd.** and opened in 2013. Duster vehicles assembled in Vietnam may also be exported to other countries of the region. "There will be a unique situation when (Renault) cars with a high localisation value in Russia will be assembled in foreign markets for the first time," said **Andrey Pankov**, CEO of Renault Russia.

AvtoVAZ Head Andersson met Ulyanovsk Region Governor Morozov over situation at DAAZ

At a meeting in Moscow, **OOO AvtoVAZ's** President and CEO **Bo Andersson** and **Sergey Morozov**, Governor of the Ulyanovsk Region, discussed the situation at the **DAAZ** supplier holding in Dimitrovgrad. **DAAZ** was the main reason for troubles with component deliveries AvtoVAZ experienced during the last months. The Governor expressed concern regarding the economic situation in the company and called for the preservation of not only the existing enterprise competencies but also labour collectives. According to Andersson, in the next three to four months the Dimitrovgrad site will operate in the so-called stabilisation mode, that means without drastic changes in the structure of production. During this time valuation of assets must occur and proposals for the further development of the site, which necessarily will be discussed with the staff and leadership of the region, are to be developed. "In recent years, Dimitrovgrad was a big problem for us. Yesterday I saw that the people tend to change. I saw that the lighting plant works well, the powder metallurgy plant has good prospects. This is the beginning. The two plants have a product that is delivered to the new models. As for the other plants, it will be necessary to work hard with them. But we can help. The priority now is to ensure deliveries (to AvtoVAZ), then we will develop a plan of the development of the enterprises at the site and determine how much people we need, but we will always work with the union, with the staff and the Governor, and we will not create surprises for anybody," said Andersson. He also stressed the importance of the DAAZ industrial site in general production cycle of AvtoVAZ. According to Andersson, none of AvtoVAZ cars can be assembled if DAAZ is not working. In some cases, decisions on the modernisation of production equipment are expected to be made in upcoming months.

Ulyanovsk Region to support development of an industrial park at the DAAZ site

The project of the creation of an industrial park at the **DAAZ** site in Dimitrovgrad is to be actively developed according to the meeting between **Bo Andersson** and **Sergey Morozov**. Governor Morozov said he is a guarantor to provide administrative and financial support for this project also under new leadership. On his behalf the Korporatsya Razvitiya (Development Corporation) activates its work to find and bring to the site of the industrial park partners (suppliers to DAAZ and **AvtoVAZ**).

PSA confirms plans for production of DS vehicles in Russia

PSA Peugeot Citroën plans to produce a **DS** branded vehicle at its **OOO PCMA Rus** joint venture plant in Kaluga. **Jean-Louis Shamla**, who served as the Head of the **Citroën** brand in Russia until the end of March, confirmed the plans in an interview with Russky Avtomobil. He also confirmed that the Russia made DS model will be a SUV. However, there is no confirmation for the timing of the production launch in Russia. "There is a plan, but unfortunately we were forced to revise it in view of the situation. We have several projects to start in Kaluga, including the local production of a commercial vehicle. Currently it is difficult to talk about specific dates, most likely it is a question of the next few years," Shamla told Russky Avtomobil when asked about the time scheduled for the DS production in Russia.

Daimler may decide on car assembly in Russia in May

Daimler AG is expected to make a final decision on a Russian passenger car assembly plant in May, Russian media report. The company is likely to consider the regions St. Petersburg, Kazan and Sverdlovsk as possible locations for an assembly project, according to RIA. **Yuri Spiridonov**, President of the Russian investment agency **Invest in Russia**, told journalists that in case of a positive decision the construction of the plant would start at the end of 2015 with start of assembly scheduled for 2017. According to Spiridonov, Daimler is considering assembly of five models, including the **Mercedes-Benz** A, E, S, ML and GL class. Daimler could use the terms of an agreement on industrial assembly signed earlier with another company, including a quota of **General Motors Co.**, Russia's Industry and Trade Minister **Denis Manturov** told reporters. "Industrial assembly cannot be carried out from the perspective of Mercedes, as it's already 2015, and the industrial assembly mode ends in 2018," Manturov said adding that Russia will not change the terms of industrial assembly mode, since none of the car makers addressed the authorities with such a request. According to RIA, a Daimler representative said that the company is not interested in signing an agreement on industrial assembly at GM's sites in Russia.

AvtoVAZ production plan for second quarter

OOO AvtoVAZ plans to produce about 138,000 cars in the second quarter of 2015, the company's President and CEO **Bo Andersson** told journalists in Togliatti. The company manufactured about 134,000 cars in the first three months of this year.

GM-AvtoVAZ reports lower production

ZAO GM-AvtoVAZ manufactured 8,847 **Chevrolet** Niva vehicles in the first quarter of 2015, down 28 percent from like-2014. Wholesales to dealers within the same time-frame were 8,938 vehicles, including 652 vehicles to other CIS countries.

Brilliance distributor denies plans for assembly in Syzran

OOO Brilliance Motor, the Russian **Brilliance Auto** subsidiary responsible for the distribution of **Brilliance** cars, has denied media reports that Brilliance cars will be assembled in Syzran. Prior to that some Russian media reported that Brilliance crossovers are to be assembled at **OOO JBC Rus** in Syzran, a company created for the assembly of **Jinbei** light commercial vehicles. Both Brilliance cars and Jinbei commercial vehicles are products of Brilliance Auto. "The Brilliance brand continues cooperating with the plant **Derways** in Cherkessk, our models - the Brilliance V5 crossover and Brilliance H530 sedan - are produced there," Brilliance Motor's representatives told Russian media. "Derways is our important strategic partner and we do not plan production of our models at the facilities of other plants".

Toyota launches Camry with new engine

OOO Toyota Motor Manufacturing Russia has launched production of the **Toyota** Camry equipped with a new 2 litre gasoline engine. According to the company, fuel consumption is 13 percent lower compared to a car powered by the previous engine.

Ford Sollers to celebrate official start of production of new Mondeo on the 9th of April

OOO Ford Sollers Holding will organise an official celebration of the start of production of the new-generation **Ford** Mondeo at its plant in Vsevolozhsk on the 9th of April. The production is already underway and the first cars arrived to dealerships in late March.

SAIC: Russia among future export markets

Chinese vehicle manufacturer **SAIC Motor Corp.** confirms that Russia is among its targeted future export markets. The company plans to set up sales units in Russia, Australia, the Middle East and South America before considering the feasibility of starting local production, said **Gu Feng**, SAIC's financial controller, without providing more details.

Kostromskoy Zavod Avtokomponentov to produce piston inserts for Federal-Mogul

ZAO Komstromskoy Zavod Avtokomponentov (Motordetal) located in Kostroma expects to ship a batch of Ni-Resist piston inserts to the **OOO Federal-Mogul Naberezhnye Chelny** plant in Naberezhnye Chelny in May the company said after an audit made by Federal-Mogul in Kostroma.

Russia/Kazakhstan

Bipek Avto launches Lada sales in Russia

Kazakh group **GK Bipek Avto-Azia Avto** started sales of **Lada** cars in six Russian cities. According to an agreement signed with **OAo AvtoVAZ** last year the company is taking over distribution of Lada cars in some parts of Russia. "At the end of last year we started to create a sales network in the regions of Siberia and the Urals. Today our 6 car centres - Barnaul, Novokuznetsk, Novosibirsk, Omsk, Chelyabinsk and Shadrinsk - are already taking the first customers. The next step will be the launch of activities in Magnitogorsk, Kurgan, Tyumen and Kemerovo," said **Anatoly Balushkin**, Chairman of the Board of Directors of Bipek Avto-Azia Avto.

Russia/Poland/Slovakia

Volkswagen: Russian workers in foreign plants

While Ceauto already reported that **000 Volkswagen Group Rus** will send some workers for training to **Volkswagen AG's** German plants as part of the production cuts in Kaluga, some workers have already been sent to foreign plants in order to work there for a limited time period. According to **Miroslav Kroupa**, Director of the Region Russia / CIS at **Škoda Auto a.s.**, about 80 workers were sent to factories in Germany, Poland and Slovakia.

Slovakia

Kongsberg: New contract with involvement of Slovak plant

Kongsberg Automotive ASA has received nomination from an unnamed major Global OEM for supply of the complete manual gear shifter system to a global platform. The shifter system will be used in B Segment cars which will be sold in Europe, South America and Asia under two different brands. The contract has a total value of €83 million over 7 years. Production supply will be out of 6 plants including Cluses (France), Vrábce (Slovakia), Wuxi (China), Jundiai (Brazil), Gurgaon (India) and Nuevo Laredo (Mexico). Production will start in the first half of 2016 with a peak volume in 2020.

Slovenia

Cimos: Court issues call to creditors

The Koper District Court has issued a call to creditors to vote on a court-mandated restructuring of **Cimos d.d.** Claims of almost €232 million have been confirmed. The biggest creditors are state-owned entities including **SID bank** (€63 million), **NLB bank** (€30 million) and the **Bank Assets Management Company** (€20 million). The state itself claims €35 million stemming from a loan guarantee. Court-mandated debt restructuring was launched in May 2014.

EY to consult in the Cimos sales process

EY (Ernst & Young) group was selected to provide consultancy services in the **Cimos d.d.** sale process. In the first stage, expected to take approximately three months, the EY experts will perform a thorough analysis of Cimos Group and prepare a sale strategy. The sale process itself is expected to start in the autumn, and is scheduled to be concluded by the end of next year.

Boxmark plans new investments

Boxmark Leather d.o.o., the car and aircraft upholstery manufacturer based in Kidričevo, plans to invest €10 million in a new plant and production equipment, the company's general manager **Marjan Trobiš** told STA. Boxmark Leather achieved sales of €131 million last year, up 14 percent from 2013. Because of various investments the profit was slightly reduced to €2.5 million. According to Trobiš the company plans to increase revenues by about 10 percent in 2015. In addition to the current staff of about 2,000 people more jobs are to be added. Boxmark continues to lease facilities of the bankrupt company **Prevent** in Otiški vrh with some 250 employees. However, there are currently no plans to acquire the factory.

Ukraine

ZAZ restarts production

PAO ZAZ is restarting car production at its plant in Zaporozhye, Segodnya newspaper reports quoting the **UkrAvto** company. The welding of bodies started this week with the first bodies expected to be painted and assembled this week. "Finished **ZAZ** cars of the 2015 model line will start to arrive in the trade network in the second half of April," UkrAvto said according to Segodnya. The company was not able to say how long the production will continue. "There has been no tangible "rollback" of the hryvnia, utility bills are rising, purchasing power is falling. The growth factors of the automotive market are absent, so it is difficult to speak about some predictions even for the next three months. The near future will show how long the line will operate," said UkrAvto.

Uzbekistan

O'zAuto-Austem to add production of wheels for Matiz and Aveo

O'zAuto-Austem LLC, the joint venture between the Korean company **Austem Co. Ltd.** and **AK O'zAvtosanoat** which manufactures steel wheels for Uzbek-made **Chevrolet** Spark, Lacetti and Cobalt as well as chassis parts for the Cobalt, is preparing production of steel wheels for the Matiz and the Aveo (T250). The company is mainly shipping parts to the **GM Uzbekistan YoAJ** car plant. In addition, it exported goods for \$200,000 in 2014.

NEWS FROM MIDDLE EAST AND AFRICA

Egypt

GB Auto reports higher sales of locally assembled cars

GB Auto S.A.E. has sold 39,135 locally assembled **Hyundai** and **Geely** cars in Egypt in 2014, up 36.1 percent from 2013. Sales of the Hyundai Verna saw an increase by 24.6 percent to 24,185 units. GB Auto also sold 14,950 Geely Emgrand cars assembled from CKD kits in the country, up 59.7 percent from 2013.

Iran

Pars Khodro reports significant production increase

Pars Khodro manufactured 110,220 vehicles in the last Iranian year 1393 (21st of March 2014 to 20th of March 2015), up 82.3 percent from the year before, according to **Armin Makvandi**, assistant director of planning at Pars Khodro.

Pars Khodro plans more than 3,000 Rich pickups for this Iranian year

Pars Khodro plans to produce more than 3,000 **Pars Khodro** Rich double cab pickups in the Iranian year 1394 (21st of March 2015 to 20th of March 2016). "More than 2,100 units of the the double cab Rich pickup truck were produced and launched and with determined plans, more than 3,000 units of this vehicle would be produced this year," said **Armin Makvandi**, assistant director of planning at Pars Khodro.

Iran Khodro Diesel: New CEO on plans for this Iranian year

Iran Khodro Diesel, the commercial vehicle subsidiary of **Iran Khodro Co. (IKCO)**, plans to produce at least 8,400 vehicles this Iranian year 1394 (21st of March 2015 to 20th of March 2016), **Gholamreza Razazi**, the company's recently appointed new CEO, said in a meeting with management and employees. Razazi underlined that the focus will be on the continuation of the development of pructs with high localization as well as increasing of the localization of current products. Considering advancements in nuclear talks in recent days, he said that Iran Khodro Diesel is willing to cooperate with famous global brands.

Iran/Ukraine

Export of Saipa Saina to Ukraine to be launched in the third quarter

Bogdan-Avtotrade, the Ukrainian importer which launched sales of Iranian-made **Saipa** Tiba sedan in December 2014, will expand the Saipa portfolio. "At the end of the third quarter 2015 the new Saipa Saina will be launched in the market," said **Oleg Krivovyaz**, Managing Director of Bogdan-Avtotrade.

THIS WEEK ON CEAUTO.CO.HU

New car market in Russia: 128,298 new cars and trucks were sold in February, 2015

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

New car market in Czech Republic: 17,742 new light vehicles were registered in February, 2015

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

New car market in Slovenia: 5,045 new light vehicles were registered in February, 2015

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

New car market in Bulgaria: 1,790 new cars and trucks were sold in February, 2015

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

New car market in Serbia: 1,289 new cars and trucks were sold in February, 2015

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

New car market in Moldova: 250 new light vehicles were registered in February, 2015

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

IMPRINT

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