CeAUTO Newsletter

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NEWS -

International

Hyundai's new global sub-compact SUV to be called Creta

Hyundai Motor Company has announced the name of its first sub-compact SUV: "Creta". The global roll-out of this all-new model will start in the second half of 2015 in India. The name "Creta" derives primarily from the name for Crete, the largest of the Greek islands. "The Creta will be an influential global model for the Hyundai Motor brand in one of the fastest-growing vehicle segments, helping the company to reach out to many more consumers in new and established international markets" the company said in a statement.

Harman completes acquisition of Bang & Olufsen's Automotive Audio Business

Harman International Industries, Inc. announced the successful completion of its acquisition of Bang & Olufsen Automotive car audio business. Bang & Olufsen branded audio products are available in a wide range of Audi, Aston Martin, BMW and Mercedes-Benz car models. Harman now plans to bring its global marketing, scale and technologies to the Bang & Olufsen and B&O PLAY car audio brands to strengthen and grow the business.





Czech Republic

Škoda receives fine for margin fixing

Škoda Auto a.s. has been fined CZK 49.1 million (€1.77 million) for margin fixing with distributors between April 2011 and April 2012 according to the Czech anti-monopoly office Úřad pro ochranu hospodářské soutěže (ÚOHS). The fine was imposed in December. Czech media criticised the fact that the office postponed the public release of its ruling. It was only published last week on the same day that the Czech daily MF Dnes received the decision from ÚOHS. MF Dnes had to use the law on free access to information in order to receive the ruling. So it is not clear when the ruling would be published in case there would be no media request. When asked by MF Dnes why the ruling had not been published earlier, a spokesman of the office initially said that the postponed publishing was a part of the settlement agreement with Škoda but explained few minutes later that the reason was confidential information which had to be removed from the decision.

Shanghai Volkswagen inaugurates new plant for VW and Škoda cars

Shanghai Volkswagen Automotive Co. Ltd. has inaugurated a new plant in Changsha, southern China, about 900 kilometres to the west of Shanghai. The first car to be manufactured there is **Volkswagen** New Lavida. Other models of the Volkswagen and **Škoda** brands are to follow. The total capacity of the plant is about 300,000 vehicles per year. The plant is creating more than 4,000 new jobs, together with 4,000 more in the neighbouring supplier park.

Nexen Tire named Investor of the Year 2014

At the 15th annual **Investor and Business Property of the Year** awards ceremony, **CzechInvest** and the **Association for Foreign Investment** presented awards to the 13 most significant investment and business property projects of 2014. **Nexen Tire Corporation Czech s.r.o.** won first place in the Manufacturing category. The company's investment in the amount of CZK 22.8 billion in the Triangle Strategic Industrial Zone will lead to the creation of 1,384 jobs. In the Research and Development category, the top prize was awarded to **Valeo Autoklimatizace k.s.**, which last year invested CZK 10 million in the expansion of its technology centre for the development of automobile components. **MSD IT Global Innovation Center s.r.o.** was awarded first place in the IT and Shared Services category for its investment in a new technology and IT centre. The Business Property of the Year 2014 awards were presented in two categories. The **Triangle Strategic Industrial Zone** was named the Industrial Zone of the Year. The top prize in the Property of the Year for Technology Centres and Services category was won by the **Riverview** office building, which is located in the Smíchov district of Prague.

<u>Hungary</u>

Ferro-Press inaugurates enlarged facility

Ferro-Press Fémipari Szolgáltató Kft has finished its site-extension project. Realised with an investment of HUF 2.84 billion which was supported by a HUF 851 million EU-sourced grant the company built two new production halls, totalling an area of 10,000 square metres and bought new equipment and technology.





Ferro-Press plans to increase its headcount to 400 people by creating 50 new jobs. Ferro-Press is engaged in steel parts production and surface treatment for various industries, including automotive clients.

Lithuania

Kitron expands in Lithuania

Kitron ASA, the Norwegian electronics manufacturing services company, has officially opened the new production facilities and engineering services centre of its Lithuanian subsidiary **UAB Kitron** in Kaunas. An investment of €7 million in the newly built 5,000 square metre facility allows the company to expand its existing manufacturing area to 13,000 square metres and to create an additional 60 jobs. From now on the company will not only manufacture in Lithuania, but will also develop new products, with a special focus on engineering services. Engineers will provide prototyping, product design supervision, component engineering, and project management services. The company employs 430 people in Lithuania.

Poland

Opel shows first pictures of next-generation Astra

Opel Group GmbH has published first pictures of the next-generation **Opel** Astra which will celebrate its world premiere at the International Motor Show in Frankfurt in September. Depending on the model and trim level the new Astra will be up to 200 kilograms – at the very least 120 kilograms – lighter than its predecessor. The completely new vehicle architecture plays a major role in the weight reduction. The bodyshell weight alone was reduced by 20 percent from 357 to 280 kilograms. Additional, chassis-related measures resulted in another 50 kilograms of weight reduction; these include high-strength and ultra-high-strength low-weight steels, compact subframes as well as weight reductions to the front and rear axle. The new Astra will be available with several gasoline and diesel engines with a displacement of up to 1.6 liters. Outputs range from 95 hp to 200 hp. The new Astra generation will be manufactured at plants in Gliwice (Poland) and Ellesmere Port (UK).







Neapco confirms possibility to leave Praszka

David Kasul, Managing Director at **Neapco Europe GmbH** with headquarters in Düren, Germany, has confirmed that the company which operates the **Neapco Europe Sp. z o.o.** plant in Praszka is considering the possibility to leave Praszka and erect a new plant at a new location (see Ceauto Newsletter 21-2015). "We are considering two options: either we stay in Praszka, or we will build a factory from scratch somewhere else: in one of the neighbouring municipalities or outside the region," Kasul is quoted as saying by Nowa Trybuna Opolska. "We will take decision after talks with the mayors. We look forward to offers from municipalities. I will meet, among others, with the mayors of Olesno, Kluczbork and Wieluń," According to the newspaper, Kasul also met the mayor of Praszka but he deemed his offer disappointing.

Valmet appoints new President of Roof Systems business

Harald Brunini was appointed President of Valmet Automotive Oy's Roof Systems as of the 1st of July. He will take over from Ilpo Korhonen, CEO of Valmet Automotive. Brunini has been working with Valmet Automotive in the ongoing restructuring process of the Roof Systems business line as CRO since October 2014. Valmet's roof systems business includes plants in Germany and Poland. Harald Brunini has 20 years of experience at Daimler AG in various senior management positions in engineering, research, product strategy and procurement & supply. After a period as CEO at Harman/Becker Automotive Systems, he founded in January 2006 the company B2TM focusing on interim management and consulting.

Tru-Flex opens plant in Olszowa

The US company **Tru-Flex LLC** has officially opened its new Polish plant **Tru-Flex Sp. z o.o.** in Olszowa which belongs to the Ujazd municipality, Opole Province. The company manufactures exhaust parts for commercial vehicles. The new facility includes a 2,500 square metre hall. According to plant manager **Jarosław Szytow** the company currently has 15 employees and it expects to reach the number of about 100 workers in 2019.

<u>Romania</u>

Bosch to invest €55 million in two years

Robert Bosch GmbH plans to invest about €55 million in Romania in 2015 and 2016, **Mihai Boldijar**, CEO of the Romanian subsidiary **Robert Bosch SRL**, said at a press conference. The main portion of the investment will be destined for the automotive activities. The company will open a new production line for engine components at its site in Blaj, whilst new products such as airbag deployment control systems, electric window command systems and solar panel inverters will be launched at the factory in Jucu. In 2014 Bosch saw a turnover of €210 million in Romania. The turnover could grow by 12 to 15 percent this year, said Boldijar. The company's profit amounted to €7.6 million last year, whereas the investments stood at €8 million. Bosch employed about 2,700 people in Romania at the end of 2014. The company wants to increase the number of employees to over 3,000 this year.





<u>Russia</u>

Rostech has no plans to decrease its share in AvtoVAZ

Russian state-owned company **GK Rostech** has no plans to decrease its shares in **OAO AvtoVAZ**, the company's Head **Sergey Chemezov** said. "We do not plan (to reduce shares), and the government will not allow us to do it – we must be present at least at the level of a blocking stake" Chemezov is quoted as saying by Vedomosti. According to Chemezov, AvtoVAZ is successful despite the decrease of the market. "The market, of course, fell in volume, but the company works successfully: the market share of AvtoVAZ in the passenger car market rose to 20 percent. When we appointed **Bo Andersson** as the President of AvtoVAZ, we set the goal to achieve a 20 percent share of the market. Recently there was a meeting of the Board of Directors, on which he proudly announced that he overcame this line" said Chemezov.

Dibuan leaves AvtoVAZ

Alain Dibuan, **OAO AvtoVAZ**'s Vice President with responsibility for Programmes and Products, left the company as his contract ended at the end of May. It is not clear who will replace Dibuan.

Renault launches production of facelifted Duster

OAO Renault Russia has launched volume production of a facelifted version of the **Renault** Duster. Sales will start in mid-summer. There is currently no official information about the engine portfolio or prices.



Ovenden named new president and CEO of Ford Sollers

Mark Ovenden, currently chairman and managing director of Ford of Britain, has been appointed president and CEO of OOO Ford Sollers Holding effective as of the 1st of July subject to work visa approvals. Ovenden has significant experience in Russia. He was president and managing director of Ford of Russia from 2008 to 2011.





He returned to Britain in 2011 as managing director of Ford of Britain, and was appointed to the dual role of chairman and managing director, Ford of Britain, in April 2013. Ovenden's previous roles have included director marketing, Ford of Britain, as well as a wide a wide range of global marketing and sales positions within Ford, including positions based in Dearborn and Cologne. In Russia, Ovenden is succeeding **Ted Cannis**, who will become executive director, Investor Relations, **Ford Motor Company** based in Dearborn effective as of the 1st of August. **Andy Barratt**, currently director, Sales, Ford of Britain, is replacing Ovenden in the UK.

Ford Sollers launches Fiesta production

OOO Ford Sollers Holding started production of the **Ford** Fiesta four-door sedan and five-door hatchback at its plant in Naberezhnye Chelny, Tatarstan. **Rustam Minnikhanov**, President of the Republic of Tatarstan, attended the event. "The Fiesta has a high level of local content; we are sourcing more than 100 components from local suppliers," said **Adil Shirinov**, executive director and chief operating officer, Ford Sollers. "Starting from 2016, the Fiesta in Russia will also be equipped with engines manufactured at the new Ford Sollers engine plant in Elabuga." The Fiesta, which starts at RUB 499,000, will be the most affordable Ford car in Russia and comes in four specification levels, including the top-of-the-range Titanium series. The car debuts in Russia with a 1.6-litre petrol engine (85 hp, 105 hp, and 120 hp), with the choice of 5-speed manual or 6-speed automatic Powershift transmission. It starts at RUB 499,000. Fiesta is the second Ford vehicle to be built at the Ford Sollers assembly plant in Naberezhnye Chelny and follows the production launch of the Ford EcoSport sub-compact SUV late last year.

GAZ builds 10,000th Mercedes-Benz Sprinter

Gruppa GAZ and **AO Mercedes-Benz Rus** have celebrated the production of the 10,000th **Mercedes-Benz** Sprinter Classic at GAZ's plant in Nizhny Novgorod. Volume production of the vehicle was launched in Nizhny Novgorod in September 2013. About 6,600 units were sold in Russia in 2014. According to Mercedes-Benz Rus, more than 40 percent of parts are sourced from Russia.

Great Wall to launch Haval brand in late June

Chinese car manufacturer **Great Wall Motor Company** will organise an event dedicated to the launch of its **Haval** brand in Russia at a flagship store in Moscow on the 25th of June. During the event the company plans to announce models, prices and development plans for the Russian market.

Bentley opens third dealership in Moscow

Bentley Motors Ltd. has opened its third dealership in Moscow. Bentley Moscow-Volgogradskiy, located on Volgogradskiy Prospekt, is operated by the retail company Avilon Avtomobilnaya Gruppa. It adds to Bentley's presence in Tretyakovsky Proezd and at the Barvikha Luxury Village, with Bentley's long-standing partner, Bentley Moscow, operated by Mercury. Bentley now has 5 authorised dealers in Russia.

Mercedes-Benz Rus changes legal form

ZAO Mercedes-Benz Rus, the Russian distributor of **Daimler AG**'s vehicles, changed its legal form to **AO Mercedes-Benz Rus** effective as of the 27th of May.





Slovakia

Qoros sales on hold

Sales of the Chinese brand **Qoros** in Slovakia are on hold according to **Ralph Howe**, Managing Director of the Car Retail Division of **AutoPalace Group** responsible for the Czech Republic and Slovakia. AutoPalace, which belongs to the Dutch **AutoBinck Holding N.V.**, has operated the only European Qoros dealership in the Slovak capital Bratislava since September 2013, but the showroom was closed some weeks ago, said Howe.

Tajikistan

Liqui Moly starts training of mechanics

Liqui Moly GmbH, the German manufacturer of engine and gear oils, additives and car care products, has launched training of mechanics in Tajikistan in cooperation with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), or German Society for International Cooperation in English. The fact that in countries such as Tajikistan has no regulated training for mechanics, let alone in mechatronics, ensures growing problems as cars are becoming increasingly complex and their maintenance and repair needs more and more expertise, said the company. "We saw new cars with 16,000 kilometres mileage whose engine was gone, because in the workshop a completely wrong oil has been filled - not by mistake, but out of ignorance," said Andreas Maidel, Liqui Moly's export area manager about the reasons for the new training program. Liqui Moly has developed a training program for mechanics. This not only covers the topic motor oils, but everything that has to do with maintenance and repair of cars: Among other things, it is about power steering, ignition system, changing tires, brake pads and headlights. The training program consists of 22 training sessions, each lasting a few hours. The development partnership with Liqui Moly is funded under the program developPP.de that performs GIZ on behalf of the German Federal Ministry for Economic Cooperation and Development. The cost of the training are shared by Liqui Moly and GIZ. Liqui Moly's Tajik importer Antares TJ opened its own training centre.

Turkey

Prototype of new self-developed car set to appear in August

Ahmet Davutoğlu, Prime Minister of Turkey, has announced that the country's first domestically-developed car will appear in August. "All preparations have been finalised and we will sign the papers this week," he was quoted saying by the Turkish daily Hürriyet at an election rally of his ruling Justice and Development Party. Production is set to begin in 2016.

GKN inaugurated expanded plant in Eskişehir

GKN plc's subsidiary **GKN Driveline** has grown production capacity at its Eskişehir plant in Turkey. The new facilities have more than doubled the size of the Eskişehir plant to abour 6,300 square metres. This will enable the factory to increase driveshaft production capacity at the site to 1.8 million units per year. **GKN Automotive** Chief Executive **Andy Reynolds Smith** officially opened the expanded plant. As part of the €4.5 million investment programme, **GKN Driveline Eskişehir** has added an assembly line as well as warehousing







facilities. The plant currently employs 130 people, with plans to increase that by 70 over the next five years. The factory, which supplies parts for a number of vehicles manufactured in Turkey including **Ford**, **Renault**, **Honda**, **Fiat** and **Toyota** brand began operations in Turkey in 2009.

<u>Uzbekistan</u>

South Korea: News agreements on production of cars and components in Uzbekistan

Uzbekistan and South Korea have signed investment agreements concerning the implementation of nine projects in automobile industry at the Uzbek-Korean Business Forum, the press service of the President of Uzbekistan said. In particular, **GM Uzbekistan YoAJ** will implement projects on the organisation of full cycle production of three new global models. **GM Powertrain Uzbekistan YoAJ** will launch production of new generation engines. Plans also call for the production of transmissions and various parts. Among the agreements on exports of Uzbek products a contract for the shipments of Uzbek-made automobile cables to South Korea was signed.

GM Korea's Head Rocha on cooperation with Uzbekistan

Whilst the press service of the President of Uzbekistan mentions three new **General Motors** global models, **Sergio Rocha**, CEO of **GM Korea Company**, said that **GM Uzbekistan YoAJ** soon plans to launch production of two global models at the Uzbek-Korean Business Forum in Seoul without disclosing names of the models. "The company's plans for the near future include the launch of two new global car models, production of more powerful engines at **GM Powertrain Uzbekistan YoAJ**, inclusion of more than 100 companies for production of car components which are operating in Uzbekistan in the global supply chain of General Motors as well as launch of new productions of automotive components, transmissions, shock absorbers and other parts," Rocha is quoted as saying by the Jahon news agency.





NEWS FROM MIDDLE EAST AND AFRICA

<u>Algeria</u>

Renault may assemble Kwid in Oued Tlélat

Renault S.A., which launched SKD assembly of the **Renault** Symbol sedan at its new joint venture plant **Renault Algérie Production (RAP)** in Oued Tlélat last year, may add the Renault Kwid small SUV as the second model assembled in Algeria, the Algerian web auto-utilitaire.com said. According to the report, the car would probably be badged as **Dacia**. Renault Kwid was unveiled in April and initially will be manufactured in India.

<u>Iran</u>

Saipa appoints new CEO

Dr. Mahdi Jamali was appointed as the new CEO of **Saipa Auto Group**. He replaces **Saeed Madani**. The introduction event of Saipa's new CEO was joined by **Dr. Seyyed Reza Norouz Zade**, Deputy Minister of Industry, Mine and Trade and chief of **Iran Industrial Development and Renovation Organization (IDRO)**, as well as other managers and officials. At the event, Zade mentioned the financial problems of Saipa. "We need an expert manager in financial sector in order to solve these problems, and therefore we have chosen Mister Jamali for the issue," Zade said. "One of the ways to revive an organisation is to change management. But unfortunately, previous decisions of managers have hurt Saipa and its employees. These decisions include stock movement, resources' exit, debts and high interest loans," said Zade. "If collective wisdom and intellect is used in a company it would result in growth and improvement. After evaluations it was decided to revise management in Saipa." Saipa's new CEO Mahdi Jamali spoke about the sanctions and the company's future. "Many opportunities would be prepared for growth and development of Saipa with removing sanctions," said Jamali. "Saipa has faced daily liquidity problem and I want to have a plan with all employees. I wonder why there are lots of problems in Saipa despite high potential of human forces and experts here," he added. "Previously, I was working as investment manager of **Iran Khodro** and I hope that have a good role in improvement and development of Saipa."

Zamyad CEO criticises uncertainty of rules

Fereydoun Hamidi, CEO of Saipa Auto Group's subsidiary Zamyad, has criticised some irrelevant laws in the country. According to Hamidi, uncertainty in rules is among problems of vehicle manufacturers. He asked officials to not change the rules continuously and to explain vague ones. "In the (Persian) year 1393 we could only import 3,000 units of diesel engines compared to 6,000 to 7,000 planned units as the result of uncertainty in rules. Until the mid of last year it was not known that Euro 3 or Euro 4 standard would be applied for diesel engines and this has caused uncertainty for companies," Hamidi told local media. "Quick change of rules is not accepted by companies and if government wants to apply some changes it should base them on reasoning and logic," said Hamidi. "In addition, those vague laws should be determined briefly".





Iran Khodro Diesel delivers first Arian minibuses, plans higher localisation

In an official ceremony, **Iran Khodro Diesel (IKD)** delivered first new Arian minibuses to customers. According to IKD's CEO **Gholam Reza Razazi**, the local content is at least 75 percent. "By the end of the (Iranian) year 1395 (March 2017) the amount of localisation of the Arian minibus would reach to at least 90 percent," Razazi said. "Gearbox, axle, transmission, body and some other parts of this minibus are completely localised," he added. "The only non localised (significant) part in the Arian minibus is its engine, which is now in the process of design at the **IDEM** company with Euro 3 standard and can be upgraded to Euro 4 standard, too." In the past, IKD assembled a minibus in cooperation with a foreign partner and with small local content. However, as the result of sanctions and refusal of the foreign partner IKD has moved toward localisation and has designed the Arian minibus with high percentage of localisation. "Now there are 1,700 parts in the Arian minibus 950 of which are supplied by local means and 650 parts are sourced from Iran Khodro Diesel. Only 50 parts of this vehicle are sourced from foreign companies," said Razazi.



South Africa

Daimler to increase capacity in East London, launch export to the USA

Daimler AG plans to increase the capacity of its **Mercedes-Benz South Africa Ltd. (MBSA)** plant in East London, **Arno van der Merwe**, MBSA's CEO and Manufacturing Executive Director, told local media. Following the capacity increase by 10 percent since June 2014, when production of the new-generation **Mercedes-**







Benz C-Class started in East London, Van der Merwe said MBSA was taking steps to increase capacity by another 10 percent to 15 percent by the end of 2015 according to Engineering News. Base capacity at the plant for the new C-Class was 100 000 units. The factory was currently "operating at full capacity, plus some" Van der Merwe is quoted as saying. Capacity increases were being executed mainly by removing bottlenecks in the current manufacturing process and additional jobs will be created. In addition to that, MBSA will start exporting the new C-Class to the USA by the end of this year.

Mercedes-Benz plant in East London celebrates one millionth car

The one millionth Mercedes-Benz passenger car has rolled of the assembly line at the Mercedes-Benz South Africa Ltd. (MBSA) plant in East London. The new C- Class is being produced in East London since May 2014. It is already the fourth generation of the highest-volume Mercedes-Benz model made at this site. The production of Mercedes-Benz passenger cars at the East London plant began in 1958, when after ten years of existence Car Distributors Assembly (CDA) received for the first time an order of the former Daimler-Benz AG and became contract manufacturer for the model series W121 (Mercedes-Benz 190). In 1984, Daimler-Benz took over 50.1 percent of the company's shares. Since 1998, Mercedes-Benz South Africa is a wholly-owned subsidiary of Daimler. As of today, 24 different Mercedes-Benz car models have been manufactured. At the end of 2014, more than 3,000 people were employed at the plant. It would take "a lot less than a decade" to reach the milestone of the next million car, should demand and manufacturing conditions remain stable, MBSA CEO and Manufacturing Executive Director Arno van der Merwe said to local media.





THIS WEEK ON CEAUTO.CO.HU -

New car market in Russia: 132,456 new cars were sold during April, 2015 http://ceauto.co.hu/news/new-car-market-in-russia-april-2015-figures-are-released

New car market in Czech Republic: 22,007 new light vehicles were registered during April, 2015

http://ceauto.co.hu/news/new-car-market-in-the-czech-republic-april-2015-figures-are-released

New car market in Slovenia: 6,034 new cars were sold during April, 2015 http://ceauto.co.hu/news/new-car-market-in-slovenia-april-2015-figures-are-now-available

New car market in Serbia: 2,202 new cars were sold during April, 2015 http://ceauto.co.hu/news/new-car-market-in-serbia-april-2015-figures-are-released

New car market in Bosnia: 725 new light vehicles were registered during April, 2015 http://ceauto.co.hu/news/new-car-market-in-bosnia-april-2015-figures-are-now-available

New car market in Moldova: 340 new light vehicles were registered during April, 2015 http://ceauto.co.hu/news/new-car-market-in-moldova-april-2015-figures-are-released

IMPRINT

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