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NEWS

International

Magna Steyr to produce Jaguar Land Rover vehicles

Jaguar Land Rover Automotive plc has agreed a manufacturing partnership with **Magna Steyr AG & Co KG**, an operating unit of **Magna International Inc**, to build some future vehicles in Graz, Austria. There is no official information about the model or models to be manufactured in Austria, the time schedule and expected volumes.

Reuters: Eberspächer considers sales of minority stake or joint venture

German supplier **Eberspächer Climate Control Systems GmbH & Co. KG** is exploring a partnership with an overseas company or a partial sale, reports Reuters, quoting several sources familiar with the matter. In case Eberspächer does decide to start an official process to attract a buyer for a minority stake or a joint venture partner this would not start before the autumn, one of the sources said according to Reuters.

Yanfeng Automotive Interiors begins operations

Yanfeng Automotive Interiors, a joint venture between **Yanfeng Automotive Trim Systems Co., Ltd**, a wholly owned subsidiary of **Huayu Automotive Systems Co., Ltd (HASCO)**, which is the component group of **Shanghai Automotive Industry Corporation (SAIC)** and **Johnson Controls Inc.**, has officially launched operations. Yanfeng Automotive Interiors is the world's largest automotive interiors parts supplier with Johnson Controls having a 30 percent share. The new company, which is headquartered in Shanghai, has more than 90 manufacturing, development, engineering and customer service locations with about 28,000 employees around the world. The product portfolio includes instrument panels and cockpit systems, door panels, floor consoles and overhead consoles.

Czech Republic

TPCA reports higher production

Toyota Peugeot Citroën Automobile Czech s.r.o. (TPCA) has manufactured 114,694 cars in the first half of this year, up 38 percent from like-2014. The total figure includes 44,899 **Toyota** Aygo cars, 38,350 **Peugeot** 108 units and 31,445 **Citroën** C1 vehicles. Plans call for the production of more than 220,000 cars this year.

Denso expands plant in Liberec

Denso Manufacturing Czech s.r.o. will invest almost CZK 400 million in an expansion of its plant in Liberec, the company's president **Karel Balatka** told ČTK. The construction of the extension to an existing production hall will cost about CZK 140 million while the company will spend some CZK 250 million for the production equipment. The extension is to be completed in May 2016. "We are investing into the plant's enlargement in particular because we have received a new project from an important client and the current capacity is not high enough for it" Balatka is quoted as saying. However, the expansion of the plant will only result in a small addition of jobs. Only several dozens of people are to be hired because the new production lines will have higher automation. The company achieved sales of a record CZK 11.3 billion in the financial year which ended on the 31st of March and made a CZK 574 million gross profit. It supplied 2.4 million air-conditioning units plus another millions of condensers, air coolers, heaters and other products. Denso Manufacturing Czech plans further increase of turnover this financial year by some 3 percent to CZK 11.6 billion. The plant's production capacity is to increase by up to 30 percent by 2020.

Czech Republic/Poland

Denso looks for new employees in Poland

Denso Manufacturing Czech s.r.o., the supplier which currently has 2,285 employees at its plant in Liberec, is looking for 120 new workers. "We are also advertising for them in Poland, because here people are missing" the company's personnel head **Roman Help** told ČTK. Poles currently account for about a fifth of all employees while the total share of foreigners is 38 percent. A large portion of them are agency employees. According to Help, Denso would like to reduce the share of agency employees to 20 percent.

Hungary

Grana inaugurates new production hall

Grana Kft, a supplier of moulded plastic parts to **Volkswagen AG** and **Daimler AG**, has officially opened its new 650 square metre hall in Győr. This is part of a HUF 1.2 billion development project which was launched three years ago. Production space has now been increased from 3,000 square metres to 4,500 square metres. There were 30 jobs created, bringing the total number of staff to 110.

Poland

FCA unveils facelifted version of Fiat 500

Fiat Chrysler Automobiles N.V. has unveiled a facelifted version of the **Fiat 500**. According to FCA, the modernised version has about 1,800 innovative details. New are the front headlights with LED daytime running lights, the rear light clusters, the colour palette, the dashboard, the materials. Over 1,500,000 units of the Fiat 500 have been sold since the car's launch in 2007. A large portion of this volume was manufactured at the **FCA Poland Sp. z o.o.** plant in Tychy.



FCA and trade unions reach compromise

FCA Poland S.A. and six out of seven trade unions which are active at the company have reached an agreement in the wage negotiations. The monthly wages will increase by PLN 130 starting from the 1st of July. Employees will also get a one-off benefit of PLN 780 in August. The agreement also introduces additional elements of remuneration.

Volkswagen to launch first pilots of next-generation Crafter in fall

Volkswagen Poznań Sp. z o.o. plans to launch pilot production in the body shop of its new plant in Białężycach near Września this fall, said **Marcin Kanturski**, the future Head of the body shop. The body shop, which will have 400 robots and employ 720 people will have a production capacity of 376 bodies per day.

Kongsberg rents additional space in Pruszków

Kongsberg Automotive Sp. z o.o., the Polish subsidiary of the Norwegian company **Kongsberg Automotive ASA**, has rented more than 2,400 square metres of additional space, of that almost 2,200 square metres is production space, at the logistics park **MLP Pruszków 1**. With the new space, Kongsberg is renting a total of almost 16,500 square metres in Pruszków. The company currently employs about 1,000 people.

Poland/Slovakia

Piechociński confirms competition with Slovakia for new car plant

Janusz Piechociński, Poland's Deputy Prime Minister and Minister of Economy, confirmed that Poland is competing with Slovakia for a new car plant. "We are on the short list. Our remaining rival is Slovakia" Piechociński said during a meeting with local media in Warsaw. "The final decision should come by the end of the third quarter". According to the Minister, the new plant could produce up to 350,000 cars per year in the future and start of production is scheduled for 2019. It could be located in the South of Poland. The value of the investment could be more than PLN 7 billion. Piechociński declined to name the company, he only said the potential investor plans to manufacture premium cars. However, it is understood that the company involved is **Jaguar Land Rover Automotive plc**.

Russia

IzhAvto manufactured 110 Vesta pilots until now

The **IzhAvto** plant in Izhevsk manufactured 110 **Lada Vesta** pilot vehicles until the 7th of July. "In the next two weeks we will produce another approximately 60 Lada Vesta pilots. And a total of 450 Vestas are to be made until the start of volume production on the 25th of September," said **ОАО AvtoVAZ's** President and CEO **Bo Andersson**.

GAZ: Škoda and VW assembly interrupted

Contract assembly of **Škoda** and **Volkswagen** cars at the **Gruppa GAZ** plant in Nizhny Novgorod has been interrupted from the 1st to the 10th of July, *Vedomosti* reports, quoting the spokesperson of **ООО Volkswagen Group Rus**. Assembly is to be resumed on the 13th of July. At GAZ, Škoda and Volkswagen cars were assembled in a four-days-week in March and April and in a five-days-week in May and June. It is not clear which what the working week will look like after the current interruption.

Ford Sollers starts production of new Focus in Vsevolozhsk

OOO Ford Sollers Holding has officially started production of the new-generation **Ford Focus** at its Vsevolozhsk plant close to St. Petersburg. The Focus will be produced in three body styles for the Russian market – sedan, hatchback and wagon. Production of the Ford Focus started in Vsevolozhsk in 2002, and it was the first Ford model built in Russia in the modern era. Prices will be announced in Russia on the 16th of July.

Bosch opens plant in Samara

Robert Bosch GmbH has officially started production at its new plant in the Samara Region. Initially, the plant will produce ABS anti-lock braking systems and ESP electronic stability systems for cars assembled in Russia. Bosch plans to create about 100 jobs in Samara in a first step by the end of 2015. According to original plans, Bosch will have invested some €50 million in the more than 22,000 square metre plant by the end of 2016. However, the company decided to postpone production launch of some parts as a result of the current economic crisis in Russia. Earlier Bosch said that it also plans to produce starters and generators, common rail injectors for commercial vehicles and windshield wiper systems at the site. The factory in Samara is the second Bosch automotive technology plant in Russia after the one in Engels in the Saratov Region.

GAZ Group developed Euro-5 compliant high-pressure fuel pumps

OOO Yaroslavl'sky Zavod Dizel Apparatury (YaZDA), a Yaroslavl-based company which belongs to **Gruppa GAZ**, has developed a full range of Euro-5 compliant high-pressure fuel pumps for the Common Rail system. The fuel pumps are designed for in-line and V-engines produced by Russian engine manufacturers such as **OOO Avtodiesel (Yaroslavl'sky Motorny Zavod)**, **OOO Kamaz** and others. Currently Euro-5 compliant YaMZ-534 engines fitted with YaZDA fuel pumps and **Robert Bosch GmbH** fuel system elements are successfully passing road tests being installed on **GAZ GAZon NEXT** trucks and **PAZ** buses. Common Rail type fuel systems with YaZDA pumps have successfully passed certification tests being installed on **Kamaz** engines. A pilot batch of Euro-5 compliant fuel pumps for in-line and V-engines will be produced by YaZDA in the autumn of this year and the mass production will begin from January 2016.

GAZ to cut jobs because of GM

Gruppa GAZ has informed the local labour market administration that it may lay off up to 230 workers as a result of **General Motors Co.**'s decision to phase out **Chevrolet Aveo** assembly at GAZ.

Nissan celebrates 200,000th car from St. Petersburg

OOO Nissan Manufacturing Rus has celebrated production of the 200,000th car at its plant in St. Petersburg since the start of assembly in June 2009. The milestone vehicle was a **Nissan X-Trail**. The plant, which has the capacity of 100,000 cars per year, currently assembles Nissan X-Trail, Teana, Murano and Pathfinder models. Nissan Qashqai will be added later this year. The factory assembled 31,607 cars this year.

Nissan phases out sales of Navara and NP300 pickups

Nissan Motor Co. Ltd. is phasing out sales of the **Nissan** Navara and the NP300 in Russia. Whilst shipment of new vehicles to Russia have already have been stopped, there are still some vehicles available in the dealerships. Last year Nissan sold 544 Navaras and 996 NP300 pickups in Russia.

Serbia

FCA to launch preparations for second model?

The **FCA Srbija d.o.o.** plant in Kragujevac will launch preparations for the production of a new model which may be called LX, reports Večernje Novosti. The newspaper said the new car will be a SUV. The reports is based on an information obtained from an Italian company which is involved in the adjustment of the assembly process at the plant.

Fiat 500L sales in the USA lower than 2015

Sales of the Serbian-made **Fiat** 500L in the USA are lower than last year. **Fiat Chrysler Automobiles N.V.** sold 6,076 Fiat 500L cars in the USA in the first six months of 2015, down 10.6 percent form like-2014. Sales in Canada increased by 3.6 percent to 1,703 units between January and June.

Continental may sign memorandum on new investment

According to Serbian Prime Minister **Aleksandar Vučić** an additional memorandum or even an agreement with **Continental AG** on a new production facility in Serbia may be signed during the visit of German Chancellor **Angela Merkel** to Serbia on the 8th and 9th July.

Slovakia

PCA invited suppliers to discuss new Citroën model

More than 150 representatives of about 60 suppliers participated in a supplier conference at the **PCA Slovakia s.r.o.** plant in Trnava connected to the production of a new **Citroën** model. In the first phase, the new Citroën will only be manufactured in Slovakia, said PCA.

Turkey

Toyota will start recruiting new staff soon

Orhan Özer, General Manager of **Toyota Otomotiv Sanayi Türkiye A.Ş.** said that the company is planning to start hiring for a new project soon. "It will happen during the next few months or it can happen next January, but we will hire a significant number of new employees" he was quoted as saying to reporters on the sideline of an event at the factory where the production rate has reached 112 seconds.

Sumitomo Rubber Industries inaugurates new joint venture factory

Sumitomo Rubber Industries Ltd. (SRI) and **Abdulkadir Özcan Otomotiv Lastik Sanayi ve Ticaret A.Ş.** have officially launched production at their €390 million joint venture tyre plant **Sumitomo-AKO Çankiri** in Çankiri in north-central Turkey. SRI owns 80 percent of the joint venture. The company plans to achieve production of 30,000 tyres per day or about 10 million tyres per year with about 2,000 employees by the end of 2019.

Ukraine

Honda closes import subsidiary

Honda Motor Co. Ltd.'s Ukrainian import subsidiary **OOO Honda Ukraina** has stopped its activities. Starting from the 1st of July, a new company called **Pride Motor** took over the import of **Honda** and **Acura** cars as well as other products.

Uzbekistan

GM Head Kazem leaves Uzbekistan

GM Uzbekistan YoAJ President and Managing Director **Kaher Kazem** has been appointed to the new position of Chief Operating Officer (COO) for **General Motors India**, effective from the 1st of August. In his new role, Kazem will manage the industrial side of GM India's business. Kaher has been overseeing GM Uzbekistan's operations since 2012.

NEWS FROM MIDDLE EAST AND AFRIA

Algeria

Volkswagen, Hyundai and Nissan importers consider common assembly plant

Algerian importers of **Volkswagen Group**, **Hyundai** and **Nissan** vehicles are considering the possibility to establish a common assembly plant to assemble vehicles of all three brands, TSA reports. According to the report, **Mourad Oulmi**, Head of the Volkswagen Group importer **Sovac**, **Omar Rebrab**, Head of **Hyundai Motors Algérie** and **Sefiane Hasnaoui**, Head of **Nissan Algérie**, want to propose to the government a common car factory project. The report said that they expect to receive same tax and fiscal benefits from the government as **Renault S.A.**' joint venture assembly plant in Oued Tlelat. The project may be officially announced in the coming days.

Renault appoints new sales and marketing director

Hichem Nacer-Bey has been appointed new sales and marketing director at **Renault Algérie**. In the new position he succeeds **Amine Djemaa**.

Iran

Iran Khodro appoints new Head of Export and International Affairs

Saeed Tafazzoli has been appointed new Head of Export and International Affairs at **Iran Khodro Co. (IKCO)**. Tafazzoli has an MA in Industry Engineering from the Sharif University of Technology. During his professional career, he served as board member of IKCO's affiliated companies including Expanding Investment Company and Casting Industry Company.

Diar Khodro prepares assembly of Great Wall H6

Diar Khodro Co., the Iranian assembler of **Great Wall** and **BAIC** vehicles, plans to launch SKD volume assembly of the Great Wall H6 this summer. The mass assembly of the Great Wall M4 started in May. In May, the company also officially launched trial assembly of the BAIC Sabrina Electro electric hatchback (known in China as Beijing E150 EV).

MVM to assemble of Chery Tiggo 5 under Chery brand

While **Modiran Vehicle Manufacturing Co. (MVM)** assembles **Chery** cars under the **MVM** brand, the locally-assembled Chery Tiggo 5 will wear the Chery badge, **Amir Hasan Amiri**, the company's Head of sales and after sales, told local journalists. "According to new policies of Modiran Khodro, it is planned that some luxury vehicles of Chery will be produced at the Modiran Khodro plant and launched with Chery logo at dealerships of Modiran Khodro in the whole country" he is quoted as saying.

Nigeria

Honda to launch assembly in Nigeria

Honda Motor Co. will begin local assembly of the **Honda Accord** this month with planned initial annual capacity of 1,000 units, the company's new President and CEO **Takahiro Hachigo** said in a speech earlier this week. Honda is using a retooled part of its **Honda Manufacturing (Nigeria) Ltd.** factory in Ogun that previously made Honda motorcycles. According to Hachigo, this is first time that Honda will assemble cars in Africa. However, it will not be the first time a Honda car is assembled in Africa. The **Mercedes-Benz of South Africa** plant assembled the Honda Ballade sedan between 1982 and 2000.

Stallion Group launches Volkswagen assembly

Stallion Group has launched assembly of **Volkswagen AG** models at its **VON Automobile Nigeria Ltd.** (formerly known as **Volkswagen of Nigeria**) plant in Lagos. Plans call for the assembly of **VW Polo**, Jetta, Passat, CC, Tiguan and Amarok models.

INTERVIEW

with **Bernard Cambier, Senior Vice President, Chairman of Africa-Middle East-India Region, Renault S.A.**

“We want to be a strong car manufacturer in Iran”

Renault is cooperating with the Iranian car manufacturers Iran Khodro and Pars Khodro. The company is preparing new projects for Iran for the case than Iran, the USA and five other world powers reach a nuclear deal. At the same time, Renault is developing production and assembly activities in Morocco and Algeria and is considering a small assembly project in Nigeria.



Mr. Cambier, how do you see the situation in Iran?

We are in Iran for long time. We stayed in Iran against all sanctions and we are still in Iran. Our strategy is to be in Iran and also to respect the law and regulations. We have two partnerships with Iran Khodro and Pars Khodro. We have a new project but currently I don't want to speak about this project. But we want to be strong car manufacturer in Iran and naturally respect all regulations. And what is really important for us is to respect the quality of the car. When I was in Iran I could check that the image of Renault cars made in Iran is really a quality image. We want to be in Iran with this image of quality car.

Currently the Renault Tondar 90, an Iranian version of the first-generation Logan sedan, is manufactured in Iran. When do you plan to launch volume production of the Logan-based pickup in Iran?

In the last quarter of this year.

Iranian media reported that the old Logan MCV wagon could also be manufactured in the country. Is that correct?

We have currently no plan to make the old Logan MCV in Iran but it could be a nice car for the market.

According to Iran Khodro there are agreements regarding the Renault Clio IV and Captur models which are initially to be imported as CBU models and later manufactured locally. Can you comment on that?

They are right, we are negotiating that. I am sorry but I cannot tell you more.

But Iran Khodro has communicated it officially.

You know the Iranian market like me. They speak too much.

So one can say that you have some kind of pre-agreement but that you are waiting for the result of the nuclear negotiations.

Absolutely. We have to find financing flow, we have to increase the localisation of parts, those are the two main problems, two main issues, and after that we have really big projects but the situation in Iran has to improve. We will negotiate some projects with Iran Khodro and Pars Khodro but we have a lot of headwinds with these sanctions.

In the last decade, when the Logan production at Iran Khodro and Pars Khodro was in preparation, plans also called for the export of Iranian-made Logans to several countries. However, the plans were not realised. Do you see potential for future exports from Iran?

The Iranian people have always objectives to export cars, that is the culture of the country and I can really understand that. Iran could be in a good situation to export cars. But at this stage it is too early for an export project. It could be a nice project, if the law changes, to export cars from Iran. But currently we don't have specific projects for that.

There are also imported Renault cars sold in Iran, they are mainly sourced from South Korea. How many imported cars are you selling in Iran?

Last year we registered total sales of about 30,000 cars, of that some 6,000 CBU imports.

Coming to Morocco, Renault operates a plant in Tangier which manufactures the Lodgy, Dokker and Sandero models and the SOMACA factory in Casablanca which assembles the Logan and Sandero. What is the reason to make the Sandero in both factories?

According to the Agadir Agreement, you can export cars from Casablanca to Africa with some fiscal advantages. Currently that is not the case of Tangier. Therefore the Sandero is assembled at both sites.

How do you see the future of the SOMACA plant in Casablanca?

Casablanca is a nice plant. Five years ago that was maybe really a nightmare and mess and the quality was not high enough and we had some problems to manage the quality. Now it is really the past, it is a very good plant regarding quality as well as costs. When you have a plant with very good quality, good costs and you have some fiscal advantages for the cars assembled there, the forecast is very positive.

Do you plan to change the model portfolio in Casablanca?

Not at this stage.

The Sandero is manufactured in Tangier in Morocco as well as in Mioveni in Romania. What does it mean for Renault?

The two plants are in an interesting competition and they have to produce cars with the best quality and best costs. It will be interesting to see which plant will be the most competitive.

So can you compare the factories in Tangier and Mioveni?

Mioveni is now an old plant and at this stage the costs are more competitive but I think it will change. I think that Tangier will be one of our best plants in the alliance worldwide. Tangier is really improving in competency skills.

What about the difference between costs of work in Morocco and Romania?

We don't communicate this information.

In Algeria, Renault launched SKD assembly of the Renault Symbol at a joint venture plant in Oued Tlelat in November. How is this project progressing?

We are on target. Our vision in Algeria is to write a nice story with the Algerian government and the Algerian people. We want to develop our plant and to develop the volume we are selling in Algeria. We have currently a market share of about 27 percent together with Dacia, Renault is number one and Dacia is number three.

Do you plan to add the assembly of a second model in Algeria?

We are building the story step by step, a second model is foreseen for the future.

And how do you see the development of the Algerian market?

For long term I am really positive regarding the Algerian market because of the ratio between the number of cars and inhabitants. We all were surprised by the evolution of the petrol price, but long-term I am positive for Algeria.

How do you see the general situation on the African market and what are your plans for Nigeria where you are negotiating a SKD assembly project?

We have, together with Nissan, a very strong leadership regarding the market share in Africa. Renault together with Dacia have a market share in Africa of about 11.5 percent and if you include Nissan the market share is more than 17 percent. Renault is number four in Africa. Currently, our objective is to be on the podium, we are not far from Volkswagen, which is the number three. We are in big competition and I am very optimistic because we have very strong pillars in Algeria and in Morocco, the third pillar will be South Africa, where we improved our market share by one percent point last year. After Algeria, Morocco and South Africa, I am really optimistic regarding the Egyptian market where we have a very good importer and are improving our market share. After that, we see some opportunities for medium-term and long-term. The opportunities are Nigeria, and I will come back to that, Angola, where we have 12 percent market share, Kenya and Ghana. In Nigeria, the number of imported new vehicles is very low, it is an average of about 40,000 cars per year. At the same time, about 500,000 used cars are imported per year. We have a new importer, which is the company Dana, and we are negotiating about local assembly.

Interview conducted by Peter Homola

UPCOMING EVENTS

- » **August, 24-27:** MOSCOW, RUSSIA: MIMS AUTOMECHANIKA
<http://www.mims.ru>
- » **August, 25:** MOSCOW, RUSSIA: VI INTERNATIONAL MOSCOW AUTOMOTIVE FORUM (IMAF)
<http://www.mims.ru/en-GB/events/VI-moskovskii-mezhdunarodny-forum-avtomobilestroen.aspx>
- » **October, 1-11:** BUCHAREST, ROMANIA: BUCHAREST AUTO SHOW
<http://www.sab.ro>
- » **October, 13-14:** PRAGUE, CZECH REPUBLIC: CENTRAL & EAST EUROPEAN AUTOMOTIVE FORUM
<http://www.ceeautomotive.com/>
- » **October, 28-30:** BUDAPEST, HUNGARY: AUTOMOTIVE HUNGARY
<http://automotiveexpo.hu>
- » **November 24-25:** ISTANBUL, TURKEY: 2ND WORLD AUTOMOTIVE CONFERENCE.
<http://worldwidepartnerships.co.uk/conference/world-automotive-conference-in-turkey/>

IMPRINT

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CeAuto Newsletter is published on every Wednesday.

Annual subscription price: €209/US\$280/¥28600/INR17600/RMB¥1,710

Subscription service: Boglarka Nemeth, bnemeth@ceauto.co.hu