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### NEWS

#### International

##### **Magna to acquire Getrag**

**Magna International Inc.** has announced that it has signed an agreement to acquire **Getrag Getriebe- und Zahnradfabrik Hermann Hagenmeyer GmbH & Cie KG** of Germany, one of the world's largest suppliers of automotive transmissions. In addition to its wholly-owned operations, Getrag has significant joint-venture relationships with **Ford Motor Co.**, as well as Chinese auto makers **Jiangling Motors** and **Dongfeng Motor Group**. Other Getrag customers include **BMW AG**, **Daimler AG**, **Renault S.A.**, **Volvo Car Corp.** and **Great Wall Motor Co. Ltd.** Including joint-venture locations, Getrag has approximately 13,500 employees and operates 13 manufacturing and 10 engineering centres in nine countries in Europe, Asia and North America. Getrag's 2014 consolidated sales were approximately €1.7 billion, which excludes approximately €1.6 billion in sales generated in its non-consolidated joint-ventures. The purchase price for 100 percent of the equity of

Getrag is approximately €1.75 billion. This represents an enterprise value of approximately €2.45 billion less proportionate net debt and proportionate pension liabilities, which together are estimated to be approximately €700 million at closing. The purchase price is subject to working capital and other customary purchase price adjustments. The transaction is expected to close near the end of 2015.

### ***Fiat Chrysler considers sale of Magneti Marelli***

**Fiat Chrysler Automobiles N.V.** is exploring the possibility to sell its supplier **Magneti Marelli S.p.A.** after receiving interest from potential buyers, Reuters reports quoting sources familiar with the matter. At least two U.S. private equity funds are looking to team up with industry players and submit joint bids for Magneti Marelli, the agency said. According to Reuters, a recent offer valuing Magneti Marelli at less than €2.5 billion euros was rejected in June as FCA would not agree to sell for less than €3 billion. Last year Magneti Marelli achieved turnover of €6.5 billion and an operating profit, including unusual items, of €204 million.

### ***Faurecia may sell bumper business***

**Faurecia S.A.** is considering a sale of its bumper business, Bloomberg reports, quoting unnamed people familiar with the matter. According to the agency's sources, Faurecia is working with **Citigroup Inc.** on a potential disposal and is talking to private-equity companies as well as automotive suppliers.

### ***GF Automotive to establish joint venture with Linamar***

Swiss supplier **Georg Fischer Automotive AG (GF Automotive)** has announced a 50/50 joint venture with Canadian company **Linamar Corp.** Together, GF and Linamar will invest in a new high pressure light metal die casting plant in the south-east of the US. Under GF's industrial lead, GF Linamar LLC will start operations in 2017 with the local production of light metal components for a European car manufacturer. The joint venture plans to produce lightweight powertrain and structural components. The overall investment over the next five years will amount to approximately \$100 million. Closing of the transaction is anticipated for the beginning of September 2015. Both parties will also cooperate in Asia and in Europe in order to meet their respective customers demand for integrated casting solutions.

## **Czech Republic**

### ***Kalgato Invest acquires SWELL***

**SWELL s.r.o.**, a provider of engineering services located in Hořice, has been acquired by **Kalgato Invest a.s.** As a result of this merger by acquisition, SWELL s.r.o. has ceased to exist, whilst all assets and employees of this company have been transferred to Kalgato Invest as the universal legal successor of acquired SWELL s.r.o. Following that, Kalgato Invest has changed its name to **SWELL a.s.**

### ***Volkswagen honours Klein Automotive***

**Volkswagen AG** has presented the **Volkswagen Group Award 2015** to 26 international suppliers. The only company among the honoured suppliers which is headquartered in Eastern Europe is **Klein Automotive s.r.o.**

### ***Klein Automotive reports new contract***

**Klein Automotive s.r.o.** received a new contract for bulb carriers for the **VW120** (VW Up!) with the production of 125,000 sets per year. The parts will be shipped to **Varroc Lighting Systems**.

## **Hungary**

### ***Siroma-Plast launches investment project***

Following a HUF 380 million development project last year, Nagykanizsa-based **Siroma-Plast Kft**, which saw the completion of a new storage facility, the company is now spending another HUF 200 million on obtaining new technology and machinery. Siroma-Plast produces small plastic parts for steering sensors. It currently employs around 160 people.

### ***Autoliv workers suffer from crazy hot summer***

According to a report in Kisalföld daily, around 30 employees of **Autoliv Kft** had heat-related problems, some of them were even sent to hospital. Inside the production hall the temperature rises to 50 degrees said the newspaper. Autoliv swiftly ordered the design of a new cooling infrastructure.

### ***Wittmann closes development project***

Over the last six months, **Wittmann Robottechnikai Kft** spent almost HUF 500 million at its site in Mosonmagyaróvár. The company built a new 2500 square metre hall, installed new machinery which enables it to produce injection moulding machines. 25 new workplaces have been created.

## **Poland**

### ***Uniwheels launches construction of new plant in Stalowa Wola***

**Uniwheels AG** has started its new plant construction in Stalowa Wola, which will increase the capacity of its Polish factories by about 2 million wheels annually. The new factory will be Uniwheels' fourth plant – the group currently has three production plants, two in Stalowa Wola and one in Germany. After the completion of the new plant in Stalowa Wola, the already world's largest contiguous production site for light-alloy wheels will consist of three adjacent factories with a capacity of up to approximately 9 million wheels annually. "We have decided to expand our European operations by building the new production plant in Poland, in response to positive market conditions and consistently increasing demand from our customers – mainly the premium car producers," said **Ralf Schmid**, Uniwheels' CEO. "The expansion project in Stalowa Wola is fully on track as scheduled and the construction of the buildings have already begun". Excavation works and water drainage have been completed so far and now first supporting pillars for the new buildings are being set on site. Completion of the construction works and topping-out ceremony is planned for September. Uniwheels is the largest employer in Stalowa Wola. At the end of 2014 it employed over 1,800 people in two factories, up more than 15 percent from 2013. Polish employees account for 78 percent of Uniwheels' total staff. The new plant will generate at least 250 additional jobs. The total investment for the new plant is about €87 million.

### ***Coroplast to phase out production in Prudnik***

Supplier **Coroplast Sp. z o.o.** will phase out production at its plant in Prudnik by the end of this year. The company is using rented premises in Prudnik. Coroplast is moving production to its new plant in Strzelce Opolskie which was opened in 2014.

### ***Electrical Components International extends rent contract***

**Electrical Components International Sp. z o.o.**, the manufacturer of electric components formerly known as **Cabind Polska Sp. z o.o.**, has extended the rent contract for its 13,000 square metre hall Bielsko-Biała. The plant employs more than 700 workers.

## **Poland/Kazakhstan**

### ***PZL Sędziszów to establish plant in Kazakhstan***

Polish supplier **PZL Sędziszów S.A.** plans to establish a plant in Kazakhstan. Plans call for a filter assembly plant using parts sourced from Poland in the first stage. Later the plant would switch to full production in Kazakhstan. The Kazakh project was unveiled at a meeting at the town hall of Sędziszów Młp which was joined by **Yerik Utembayev**, Kazakhstan's ambassador to Poland. The investment of PZL Sędziszów is part of a project for the creation of an automotive cluster in Kazakhstan with the participation of Polish companies. **Adam Sikorski**, President of PZL Sędziszów and Member of the Board of the **Euroasian Chamber KZ-EURO-PL**, is trying to attract other Polish companies to invest in Kazakhstan. "We are working on the creation of an automotive cluster which I have the pleasure to chair," said Sikorski. "My priority is to encourage cooperation with other Polish entrepreneurs to seize this opportunity. Foreign markets are difficult and demanding, if there will be more of us it will be easier for us". A letter of intent and a memorandum regarding the creation of the cluster already has been signed with the governor of East Kazakhstan. Ust-Kamenogorsk, the capital of the region, is the most likely site for the investment. "It is the most probable location, also due to the proximity of the Russian market," said Sikorski.

### ***Polish companies sign Memorandum on industrial cluster in Kazakhstan***

Representatives of 10 Polish companies and **Yerik Utembayev**, Kazakhstan's Ambassador to Poland, have signed a Memorandum on the creation of an industrial cluster in Kazakhstan. Two companies which are also involved in automotive production – **PZL Sędziszów S.A.** and **Stomil-Poznań S.A.** – were among the participants of the meeting.

## **Poland/Ukraine**

### ***Groclin reports contract for VW CC***

Polish supplier **Groclin S.A.** has said that it has received a nomination for the development and production of seat covers for the **VW CC**. The contract is worth almost €60 million over a time period of six years. According to Groclin, it is the first contract for a Volkswagen passenger car. Until now, Groclin only supplied

parts for Volkswagen's light commercial vehicles such as Caddy, T5 and T6. The development work connected to this project will be made at Groclin's subsidiary **SeaTcon AG**. The volume production will be located at one of Groclin's plant in Ukraine.

## Russia

### ***GM-AvtoVAZ Head Glover confident that new Chevrolet Niva will be produced***

**Jeffrey Glover**, Managing Director of **ZAO GM-AvtoVAZ**, has said the company is confident that it will manage to launch production of the next-generation **Chevrolet Niva** at a meeting with **Nikolay Merkushkin**, the governor of the Samara Region. The last official meeting of Glover and Merkushkin was in March after **General Motors Co.** said it will significantly reduce activities in Russia. "Since the March meeting we made a significant progress in the development of our project," Glover said during the meeting with Merkushkin. "The whole team is firmly focused on the finalisation of the project. We are confident that we will launch a model car into production soon". Glover also thanked Merkushkin for the support received from the Governor and the regional government. "Thanks to your attention to this matter we achieved convergence of the positions of both shareholders on the project," he said. "Back in the spring there was, indeed, a difficult situation regarding the position of shareholders. Now, even with the difficult situation in the automotive industry as a whole, we see positive changes and are confident that we can finalise the work on the Chevrolet Niva," explained Glover.

### ***GM-AvtoVAZ takes over control of the construction site for new plant***

**ZAO GM-AvtoVAZ** has taken over control over the unfinished premises at the construction site for the company's new plant (press and body shops) in the Special Economic Zone of Togliatti with the help of a security service. This step follows conflicts with the company which was previously responsible for the construction work.

### ***Lifan lays cornerstone for plant in Lipetsk***

Chinese car maker **Lifan Industry (Group) Co. Ltd.** has laid cornerstone for its new plant in Lipetsk. The ceremony was joined by Lifan's Vice President **Mou Gang** and local dignitaries. Initially Lifan plans to invest some \$300 million in a plant with the annual capacity of 60,000 cars. The factory is expected to launch assembly at the end of 2017. About 1,500 new jobs are to be created during the first two years of operations. Currently, **Lifan** cars are assembled in Russia at the **OOO AK Derways** plant in Cherkessk.

### ***AvtoVAZ reports higher production***

**OOO AvtoVAZ** has manufactured more cars this year through June than in the first six months of 2014. "Even in this tough economic situation we have manufactured 13,000 cars more this year compared to the previous one. In the first half year we have manufactured 288,000 cars at AvtoVAZ" AvtoVAZ's President and CEO **Bo Andersson** said at a meeting with **Nikolay Merkushkin**, the governor of the Samara Region. Andersson also underlines preparations for the volume production launch of the **Lada Vesta** and **XRAY** models. "We have produced about 100 Lada Vestas," said Andersson. "Currently we produce six Lada Vesta per day at the plant in Izhevsk".

### ***LadaPlast-T to produce seats for 5-door version of Lada 4x4***

**OOO LadaPlast-T**, a company based in Togliatti, will receive an order from **OOO AvtoVAZ** for the production of seats for the 5-door version of the Lada 4x4 (2131), Detali reports. Earlier seats for the car were manufactured by **OOO AvtoVAZagregat**. AvtoVAZ manufactures about 10,000 Lada 4x4 5-door vehicles per year.

### ***Sanoh to supply brake and fuel lines for Lada Priora and 4x4***

**OOO Sanoh Volga**, the Togliatti-based subsidiary of Japan's Sanoh Industrial Co., Ltd., will produce brake and fuel lines for the **Lada Priora** and 4x4 models. According to Detali, the parts were earlier manufactured by **OOO AvtoVAZagregat**.

### ***Volkswagen continues Multivan assembly with new T6 generation***

**OOO Volkswagen Group Rus** continues the SKD assembly of the **VW Multivan** in Kaluga after the switch from the T5 generation to T6. The SKD kit of the first T6 vehicle, a Multivan Highline, was shipped from Germany to Russia at the end of June.

### ***Sberbank enters into Super-Avto's process of bankruptcy***

**OOO Sberbank Rossiya** has entered into the process of bankruptcy of **ZAO Super-Avto**, a company which offers modified Lada models in cooperation with **OOO AvtoVAZ**. Super-Avto owes Sberbank RUB 77.3 million.

## **Russia/Belarus/Kazakhstan**

### ***Nissan considers Datsun exports***

**Nissan Motor Co. Ltd.** is considering the possibility to export **Datsun** cars made at the **OOO AvtoVAZ** plant in Togliatti. "We are studying several markets for the export of cars. The markets of Kazakhstan and Belarus are most interesting. But final decision has not been made yet" **Dmitry Busurkin**, Datsun Head in Russia, told TASS. The company may ship a pilot batch of Datsun hatchbacks and sedan to Kazakhstan later this year.

## **Serbia**

### ***Serbian government talks to Fiat Chrysler about second model***

The Serbian government is talking to the top management of **Fiat Chrysler Automobiles N.V.** about the production of a second models for the Serbian joint venture plant in Kragujevac, **Željko Sertić**, Minister of Economy, told B92 TV. The negotiations are to be intensified in the second half of the year, said Sertić.

### ***Yura may invest in Čačak***

South Korean supplier **Yura Corporation**, which currently operates plant in three Serbian cities, is considering an investment in Čačak. **Vojislav Ilić**, the mayor of Čačak, mentioned negotiations with Yura during the recent visit of South Korean ambassador to Serbia in the city.



### Slovakia

#### ***New automaker may get maximum aid***

The Slovak government is willing to provide maximal investment incentives for a possible new car plant, **Vazil Hudak**, the country's Minister of Economy said after a Cabinet meeting. While Hudak is not revealing the investor, it is understood that he talks about a possible investment planned by **Jaguar Land Rover Automotive plc**. "For us it is a strategic investment, so as also agreed with the Minister of Finance we are willing to go essentially to the maximum possible rate of aid. This means that we are talking about 8 to 9 percent of the total investment," said Hudak. "We should not talk about the specific investor, so we say that there is a very important investor from the automotive industry which is interested in an investment in Slovakia," Hudak is quoted as saying. "We are in the final stage, the decision will be made between Slovakia and one, maximal two, more sites."

#### ***Praga R1R super sport car can be ordered***

**Praga Cars s.r.o.**, a company based in Slovakia, has started to accept orders for its road legal **Praga R1R** super sport car. The company already participated in various races with its racing cars, but the R1R one-seater is its first road legal model. That means that it is again possible to buy a car wearing the famous Praga badge. Praga was a traditional Czech car and commercial vehicle brand with last passenger cars manufactured in 1947. Praga commercial vehicles were manufactured for much longer. Praga R1R will be made in a limited edition of 68 cars as a tribute to the fact that it is the first road legal Praga car after 68 years. Praga R1R is powered by a 2 litre turbocharged with 330 hp to 400 hp. It starts at €198,000.



### Slovenia

#### ***Acroni signs contract for new furnace***

**Acroni d.o.o.**, the Slovenian steel manufacturer based in Jesenice, has signed a €30 million deal with **Primetals Technologies** about the supply of an argon oxygen decarburisation (AOD) furnace. The investment is expected to create 20 new jobs. The new furnace is projected to reduce the production time for stainless steels by 30 percent, which will free up capacity for other products as for example special steels. Production start is scheduled for the last quarter of 2016. The investment is expected to bring annual revenue of €10 million in the years 2017 to 2020.

### Uzbekistan

#### ***GM Uzbekistan may construct new plant***

**AK UzAvtoSanoat** and **General Motors Co.**, the two shareholders of **GM Uzbekistan YoAJ**, are planning to construct another plant, **Ruslan Batirov**, an employee of Uzavtosanoat's PR department, said in an article published in the Pravda Vostoka daily.

#### ***Isuzu and Itochu representatives to visit Uzbekistan***

A delegation of **Isuzu Motors** and **Itochu Corporation** will pay an official visit to Uzbekistan on the 28<sup>th</sup> to 31<sup>st</sup> July, **AK UzAvtoSanoat** said. The representatives of Isuzu and Itochu will have negotiations with UzAvtoSanoat and visit the **SamAvto** plant in Samarkand which build commercial vehicles in cooperation with Isuzu since 2007. According to uzAvtoSanoat, the Japanese companies plan to lift bilateral cooperation to a new level.



## NEWS FROM MIDDLE EAST AND AFRICA

### Iran

#### **PSA: Jean-Christoph Quémard on plans for Iran**

**Jean-Christophe Quémard**, Executive Vice-President for Middle East and Africa at **Peugeot S.A. (PSA)**, talked to Financial Times about the company's plans for Iran. "We are ready to invest. We can provide cash and technology to build modern cars in Iran for the local market," Quémard is quoted as saying. In the longer term, PSA plans to export Iranian-made cars to other regions such as the Middle East and Africa. "There is room for exports from Iran as well... we have big plans," he explained. According to Quémard, plans call for the creation of joint ventures and investments in new plants and new technology. "This model will be much more profitable in the long term as we can capture more value," said Quémard. "In the short term, however, we will have to reinvest most of the profit back into the market." Quémard confirmed that PSA has already signed a non-binding agreement with **Iran Khodro Co.** to build cars together, likely in the B-segment and C-segment, should sanctions be lifted. PSA is planning to achieve annual sales of 400,000 cars in Iran between 2020 and 2025, Quémard told Financial Times.

#### **Renault may launch Kwid crossover in Iran**

**Renault S.A.** is considering the possibility to launch the **Renault** Kwid small crossover, which was unveiled in India in May, in Iran. The model has already drawn interest from potential Iranian partners, **Gérard Detourbet**, **Renault-Nissan Alliance** Global Vice-President, Alliance A-Segment Development Unit, told Reuters. "This kind of car could be a good match for the (Iranian) market," Detourbet is quoted as saying. "We have already presented the car to people, and they are interested," he said. "But between the interest and the decision to do it, there is still some time". Detourbet explained that there is no decision regarding new models for Iran or where they would be assembled yet. That plans would take "more than a month or two" to develop, he said according to Reuters.

#### **Iran Khodro on the production of TU3 engines**

"Producing parts and other equipment for TU3 is near to impossible under international sanctions but Iranian technicians have overcome the problems and carried out the mission," said **Jamshid Heydar Konodri**, **Iran Khoro Co. (IKCO)** Deputy CEO responsible for parts and components production. He said IKCO changed the old assembly line of Peykan engine to produce TU3 engine. According to Konodri, the assembly line which is as old as IKCO itself is set to be equipped with robots and complicated technologies and developed systems. The IKCO official referred to the production of 150 to 200 sets of TU3 each day saying all parts of the engine except for its electronic section are produced by IKCO's subsidiary **SAPCO** which is one of IKCO affiliates. He said decreasing XU7 engines and increasing EF7 and TU engines are among the goals of IKCO for the near future.

### ***Iran Khodro launches pre-sales of Renault Tondar 90 pickup***

**Iran Khodro Co. (IKCO)** is currently launching pre-sales of the **Renault Tondar 90** pickup. The vehicle was unveiled in Iran at the Isfahan auto show in 2011 and the first pilot vehicles were manufactured at Iran Khodro in autumn 2013.

### ***PSA signs agreement on DS distribution***

**Peugeot S.A. (PSA)** has signed a binding agreement with a “private group” to distribute the **DS** brand cars, Financial Times reports. The company plans to launch three of the six existing DS models in Iran before the end of 2015.

## **Iran/Algeria**

### ***PSA: Pierre Foret returns to Iran***

**Pierre Foret**, who served as the plenipotentiary of the **Peugeot S.A. (PSA)** in Iran between June 2008 and November 2011, returns to Iran. Since November 2011, Foret was Managing Director of **Peugeot Algérie** in Algeria. **Yves Peyrot des Gachons**, who worked as PSA’s Deputy Manager International Operations Maghreb and Turkey since January 2012, will succeed Foret in Algeria effective from the 1<sup>st</sup> of August.

## **South Africa**

### ***General Motors and Isuzu sign framework agreement***

**General Motors Co.** and **Isuzu Motors Ltd.** announced the further strengthening of their relationship through confirmation that a framework agreement has been signed, focused on increasing co-operation and the level of involvement of Isuzu in GM’s South Africa’s operations. „The main objective of this agreement is to ensure that the South African manufacturing operation is well positioned to assemble light commercial vehicles at high volume for both domestic and export markets, while continuing to provide a strong portfolio of **Chevrolet**, **Opel** and **Isuzu** vehicles to its customers,” GM said in a statement. „This agreement serves as confirmation of GM’s commitment to the long-term future of its operations in South Africa.” More details will be communicated once discussions have been completed over the next year. Isuzu is an important partner for GM in Africa through GM’s manufacturing operations based in South Africa, Kenya and Egypt, as well as distribution across the continent. **Ian Nicholls**, the Vice-President of GM South Africa Operations, told Business Report that the agreement would not have an impact in the short term on GM’s manufacturing operations in South Africa, but would set it up for the next cycle of production. „It will have a long-term impact on our manufacturing activities in South Africa, which will be positive for employment. There will be the direct employment benefits in the operations of GMSA and the indirect benefit of high volume production and increased localisation, which will have a positive impact on GMSA’s supplier base,” Nicholls is quoted as saying. „I can’t quantify the impact (at this stage), but it will be big,” he said.

### 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/>

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