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NEWS

International

Mann+Hummel to acquire Affinia Group

Mann+Hummel GmbH has announced that it has entered into a definitive agreement to acquire the **Affinia Group Inc.** including its global filtration operations (but excluding its Affinia South America operations). Affinia's filtration business specialises in aftermarket oil, fuel, air, hydraulic, and coolant filters. The company is the manufacturer of the Wix and Filtron brand of filters. With approximately \$1.4 billion in annual revenue, Affinia has operations in North and South America, Europe, and Asia. Mann + Hummel is not disclosing the terms of the deal, but a regulatory filing by Affinia shows \$513.1 million purchase price. Mann + Hummel will also take on debt from Affinia, which stood at \$822 million at the end of June. The two businesses will continue to operate separately for the foreseeable future. The acquisition is subject to regulatory approval and other customary closing conditions.

Autoliv completes acquisition of MACOM Automotive Solutions Business

Autoliv Inc. has completed the previously announced acquisition of the automotive business of **M/A-COM Technology Solutions Holdings Inc.** The purchase price for MACOM's "Automotive Solutions" business is approximately \$100 million in cash, plus up to an additional \$30 million in cash based on achievement of revenue-based earn-out targets through 2019. In addition, MACOM has agreed to perform consulting services for Autoliv over a 2 year period for up to \$15 million in fees. Autoliv expects to have this acquisition fully integrated in Autoliv facilities in Lowell, MA before the end of 2015 and plans to disclose more details on the technology and business in connection with the upcoming Capital Markets Day on the 1st and 2nd October.

Czech Republic

Saar Gummi to construct new hall in Stolín

Saar Gummi Czech s.r.o. plans to expand its site in Stolín near Červený Kostelec with the construction of a new production hall for the production of rubber profiles. The project includes a 8,306 square metre production hall plus 599 square metres office space. The company plans to install 8 extrusion lines in the new premises. The expansion will bring an increase of the plant's total capacity from 33,000 tons of rubber profiles to 42,000 tons per year as well as the creation of some 200 new jobs. According to current planning the new hall is to launch operations in 2017.

Ministry of Environment approves expansion of Henniges' production in Hranice

The Czech Ministry of Environment has approved the expansion of production at the **Henniges Hranice s.r.o.** facility in Hranice na Moravě. The Henniges plant, which is located at the **CTPark Hranice** industrial park, will expand the production space for sealings with the addition of the HR2/2 hall. Sealings made of EPDM and TPE materials will be manufactured in the premises. The product portfolio will include sealings for new **Seat** and **Škoda** SUVs manufactured **Škoda Auto a.s.**' plant in Kvasiny (SE 326 and SK 326) and for the **VW** Crafter. Plans call for the production of about 1,426 tons of products per year. The project will mean the creation of up to 192 new jobs in three shifts.

PWO wins global large order for lightweight cross-members

German supplier **Progress-Werk Oberkirch AG (PWO)** has received a contract from a premium car manufacturer in Southern Germany for the development and production of cockpit cross-members. While PWO does not mention the name of the customer, **Dr. Volker Simon**, Speaker of PWO's Management Board, said that the company will also be delivering to the customer's Japanese cooperation partner in Mexico. That means that the customer is **Daimler AG**. According to the supplier, the customer's previous polymer hybrid cross-member made of aluminium and synthetic material will be replaced by the lightweight steel concept from PWO which provides an ideal cost-benefit ratio for the global production of this series. The volume of the contract is well over €100 million. Starting in 2018, approximately seven million cross-members in different variations will be delivered worldwide over a period of ten years. In the future, PWO will be producing cross-members at all of the Group's five production locations - Germany, the Czech Republic, Canada, Mexico, and China. Other regions are covered by cooperation partners.

Ionbond plans capacity increase in Humpolec

Ionbond Czechia s.r.o., a company which provides coating of metal parts, plans to increase capacity at its plant which is located in rented premises at the **Central Trade Park D1** in Humpolec. Currently Ionbond operates two vacuum furnaces in Humpolec. Current plans call for the installation of a third vacuum furnace which would increase the plant's total capacity from today's about 250,000 square metres of treated surfaces per year to 350,000 to 400,000 square metres. The total number of employees would increase from 30 to about 40 when at full operation.

Kazakhstan

AgrosmahHolding: Tsoi back as Chairman of the Board

Oleg Tsoi (40) was named Chairman of the Board of **AO AgromashHolding** which is headquartered in Kostanay. In this position he replaces **Alexey Sidorenko** (35) who will transfer to the management of **GK Allur Group** in Almaty. Tsoi already served as AgrosmashHolding's Chairman of the Board between March 2010 and March 2012. That time he was replaced by Sidorenko who now left his position. In the past Tsoi acted as Deputy Chairman of the Board at **AO Caspian Group** between April 2008 and February 2010 as well as March 2012 and January 2014. Between January 2014 and August 2015 Tsoi served as Managing Director and Chairman of **AO Dostupnoye Zhilye**, a subsidiary of the Caspian Group which is involved in the construction of affordable houses. "The list of strategic objectives to be implemented by Oleg Tsoi includes the development and launch of the 'National Brand' project" the company said in a statement.

Poland

Rzeczpospolita: Fiat Panda may return to Tychy

Fiat Chrysler Automobiles N.V. may announce the return of the production of the Fiat Panda to the **FCA Poland S.A.** plant in Tychy next month, the Rzeczpospolita newspaper reports.

Kongsberg Automotive reports new contract

Kongsberg Automotive ASA has been awarded a seven year agreement with a European premium automaker for the supply of seat comfort systems to a mid-size/large luxury SUV. The contract is worth an estimated €15.8 million over its lifetime, and production is scheduled to start in the third quarter of 2016 from the **Kongsberg Automotive Sp. z o.o.** facility in Pruszków, Poland. The Polish plant will supply comfort systems including lumbar support systems for the front seats and seat heat systems for all three seat rows.

Romania/Czech Republic

CTPark Deva joins CTP network

The Czech-based business park developer **CTP s.r.o.** has announced that it has acquired the former **Deva Logistics Park**, now re-branded **CTPark Deva**. The park covers a total of 43,000 square metres, with an additional 17,000 square metres available for development, located nearby the A1 motorway near Deva.

Russia

Sollers, Toyota and Mitsui cancel assembly contract for Land Cruiser Prado

OA O Sollers, Toyota Motor Corp. and Mitsui & Co. Ltd. have cancelled the contract on the assembly of the **Toyota** Land Cruiser Prado in Vladivostok. The assembly has already been phased out in June. The Land Cruiser Prado was assembled from SKD kits by **OOO Sollers-Bussan**, a 50:50 joint venture owned by Sollers and Mitsui, in Vladivostok since February 2013. New Land Cruiser Prado vehicles will be sourced as CBU imports from Japan. Sollers told Kommersant that the company, together with Mitsui, is considering the production of other models at Sollers-Bussan.

AvtoVAZ to unveil Vesta Cross concept next week

OA O AvtoVAZ will unveil the **Lada** Vesta Cross concept at the Moscow Off-Road Show 2015 on the 26th of August. The show lasts from the 26th to the 30th of August.

Daimler would like to get land for free in St. Petersburg

Daimler AG has asked **Georgy Poltavchenko**, the governor of St. Petersburg, to provide land for free for its potential car assembly plant, TASS reports, quoting a high ranking official. According to Vedomosti, Daimler's letter arrived in St. Petersburg in June. According to a source in the administration of St. Petersburg, the city has proposed that Daimler use 50 hectares of land in Shushary. Daimler has been asked to provide the engineering infrastructure at the site and to gift any removed peat to the city. According to the source, there are no agreements and Daimler continues to explore sites in other regions. **Maxim Meyksin**, Chairman of the **Committee for Industrial Policy and Innovations of St. Petersburg**, declined to comment on the request of Daimler and to even confirm the fact of the letter. However, referring to his colleagues from other regions, he said that Daimler has asked for political guarantees of a return of investment, which would mean compensation of the construction costs from the public budget if the investment will not pay off. "In all regions they are trying to agree on the conditions in order to pay nothing," Meyksin told TASS about the negotiations with Daimler.

SEC joins German investigation of Ford in conjunction with Russia

The **U.S. Securities and Exchange Commission (SEC)** has joined investigations by prosecutors in Cologne, Germany, regarding the alleged payment of bribes by **Ford Motor Co.** to speed the passage of containers through Russian customs, a source at Ford told Reuters. Ford and **Schenker AG**, the freight business of state-owned German rail company **Deutsche Bahn AG**, have been under investigation in Germany since 2013 over suspected bribery and other offences related to the port of St. Petersburg. According to a spokesman at the Cologne prosecutor's office, two Ford employees, eight current and former employees at Schenker and one staffer from a Russian contractor are under investigation.

Andersson expects growth of Russian market in 2016

Bo Andersson, President and CEO of **OA O AvtoVAZ**, expects that Russia's total car market will grow to about 1.7 million cars in 2016 compared to 1.5 million units this year.

PCMA resumes production of Peugeot and Citroën cars

OOO PCMA RUS has resumed production of **Peugeot** 408 and **Citroën** C4 Sedan cars at its plant in Kaluga after almost four months. Production of both models was halted on the 27th of April.

UAZ: Fire does not affect production

A fire broke out Monday evening at one of the office building on the territory of **ОАО UAZ**. Production buildings were not affected.

Great Wall dealers face shortage of cars

Russian **Great Wall** dealers are facing a shortage of cars, Izvestia reports. The report mentions several dealerships which have no 2015 Great Wall H3 and H5 models. Some H3 and H5 vehicles which are available at dealerships were produced in 2014. Both models are assembled by **Irito Group**, Great Wall's Russian assembler and distributor, at its plants in Gzhel near Moscow and Lipetsk. According to the dealers Irito has problems with assembly kits shipments from Russia. There are no problem with the Great Wall Hover H6 which is sourced as CBU import from China, the report says.

Hyundai phases out Grandeur sales

Russian distributor **ООО Hyundai Motor SNG** has phased out sales of the **Hyundai** Grandeur sedan. 204 units of the Grandeur were sold in 2014.

Russia/Hungary

Suzuki plans to sell 3,000 Vitaras this year

Russian **Suzuki** importer **ООО Suzuki Motor Rus** plans to sell about 3,000 units of the new Suzuki Vitara, Za rulyom.RF reports quoting a representative of the company. Sales of the Vitara were launched earlier this month and some 100 units were already delivered to customers. According to the report, Suzuki Motor Rus expects to sell less than 10,000 cars in Russia and to maintain the market share of about 0.8 percent this year.

Slovakia

Kia shows sketches of next-generation Sportage



Kia Motors Corporation shows first sketches of its all-new **Kia Sportage**. The car will be unveiled on the 15th of September at the Frankfurt International Motor Show. Entering its fourth-generation, the all-new Sportage features a bold, progressive design. The design was created by the brand's European design centre in Frankfurt.

NEWS FROM MIDDLE EAST AND AFRICA

Egypt

GB Auto to assemble Hyundai Elantra

GB Auto S.A.E. is preparing the assembly of **Hyundai Elantra**. Original plans called for the start of assembly in October. "We may have a couple of months delay so you may expect (launch of assembly) by year end," GB Auto's CEO **Raouf Ghabbour** said during a second quarter results conference call.

GB Auto reports lower sales of locally assembled cars

GB Auto S.A.E. sold 15,009 locally assembled cars in the first half of 2015, down 22.14 percent from like-2014. While the sales of **Hyundai Verna** was down only 3.44 percent to 11,668 units, sales of the **Geely Emgrand** decreased by 57.35 percent to 3,068 cars. The company also sold 273 units of **Chery Karry**, a vehicle which was not assembled in the first half of 2014. According to the company, the significant decline of the Geely Emgrand is the result of management's decision to withhold Geely supplies to the market to clear wholesale and dealer-level over-supply that accumulated in the fourth quarter of 2014. "In tandem, we took the opportunity to work on quality issues of a car that captured the high single-digit market share right out of the gates. These issues have been addressed and we now see signs of sales returning to near-normalised levels," GB Auto's CEO **Raouf Ghabbour** explained during a second quarter results conference call. "The drop in CKD Geely sales in the quarter should be seen in that context," he adds. "We had an inventory of 7,000 cars - that was reduced during the last two months to 3,500 cars - and I expect to be short of cars within 2 to 3 months. So I do not see a problem." Ghabbour expects to sell about 6,000 Emgrands in the second half of the year.

GB Auto complains about problems with social media

In addition to the decision to withhold deliveries of locally assembled **Geely Emgrand** cars, **GB Auto S.A.E.** said another reason for lower Geely sales were problems with a social media campaign against Geely. "As a matter of fact, by the end of the first quarter we had a second problem. While we were expecting to start selling big volumes in April because actually the market was almost I wouldn't say empty but normally staffed, unfortunately we started facing a terrible blackmailing through social media against the car, claiming that the car has safety issues and claiming lots of false information," said the company's CEO **Raouf Ghabbour**. "We have obtained certificates from the suppliers related to the items social media was attacking us for and

not only that, we went to German testing firms and we did neutral testing and we got the results of those tests," he adds. "As a matter of fact, I am now threatening anyone in the social media who writes anything untrue about the product to take him to court. I am confident about the quality of the car. I have put the people who were blackmailing - I don't know if their intention was blackmailing GB Auto or blackmailing Geely but at the end of the day, I am strongly facing them and I have stopped them".

GB Auto expects higher volumes for locally assembled Chery Karry

Sales of the **Chery Karry** which is assembled from CKD kits at **GB Auto S.A.E.**, were lower than expected because of the engine available at the beginning and problems with components, the company's CEO **Raouf Ghabbour** said during a conference call with analysts. "We started the Karry with a 1 litre engine and the 1 litre engine proved not to be strong enough to take the load of the seven passengers with a driver and air-conditioning," said Ghabbour. "So we changed the engine to a 1.2 litre engine which is now having no problem and my run rate now is about 150 a month, which should see growth in the future." Problems with parts were another reason for lower volumes. "I have to mention that we had a very serious problem in the shipping of the components," said Ghabbour. There were problems with missing or damaged parts. "So we had products which we could not supply to the end user, waiting for shipments to compensate the damage or short shipments of items," he explained.

Iran

Iran Khodro to launch production of turbocharged engine TC7 next year

Iran Khodro Industrial Group plans to launch volume production of its turbo-charged engine TC7 in the first half of the next Iranian year which begins on the 21st of March 2016. According to Iran Khodro the engine fulfils Euro 4 emission standards and can be upgraded to Euro 5. It is also adapted for the use of compressed natural gas (CNG) but only petrol versions will be manufactured in the initial stage of production. The 150 hp engines consumes 7.3 litres of fuel per 100 km when installed in the **IKCO Soren**.

Iran Khodro launches assembly of Dongfeng cars

Iran Khodro Industrial Group has launched assembly of **Dongfeng** cars at its plant in Tehran. According to the Iranian statistics, the first 10 cars were made in the month of Tir 1394 (22nd of June to 22nd of July). The statistics do not provide model names. However, Iran Khodro exhibited Dongfeng S30 and H30 models at the Tabriz auto show in October 2014. That time the company said that it plans to launch assembly of the two models in 2015.

Bahman: Iranian production statistics shows large volume for Mazda3

According to the statistics for the month Tir 1394 (22nd of June to 22nd of July 2015), **Bahman Group** assembled 506 units of the **Mazda3** in this month. That would mean a kind of restart of the model's assembly in significant volumes. Only 5 Mazda3 cars were assembled in the 6 months before and also the figures in the last years were quite low.

Hyundai considers production activities in Bandar Anzali

Hyundai's representatives and officials from Iran's **Caspian Sea Port Organization** have discussed the possibility to launch a car production venture in Bandar Anzali, the Tasnim news agency writes. According to the report, **Masoud Naimi**, director of Ports and Maritime Affairs of Gilan province, said an exploratory group has been set up to discuss possible future cooperation. Bandar Anzali is a port in north-western Iran located on the western edge of Caspian Sea, has historically been a major entry/exit point to and from Iran. It also could be used for shipments to CIS countries.

Haima S7 and Chery Tiggo 5 are amongst the attractions of Mashhad auto show

Haima S7 and **Chery Tiggo 5** SUVs are two models destined for local production which celebrated their Iranian premiere at this week's Mashhad auto show. The Haima S7 is already assembled at the **Iran Khodro Khorasan** plant in Binalood near Mashhad where it shares the assembly line with the **Suzuki** Grand Vitara. In conjunction with the auto show, Iran Khodro invited local media to visit the plant. According to **Bijan Zahedi Fard**, CEO of Iran Khodro Khorasan, deliveries of the Haima S7 will be launched in October. The Haima S7 assembled in Iran is the original version manufactured in China since May 2013. The Chinese manufacturer unveiled a facelifted version of the model at the Shanghai auto show this year. In addition to the Haima S7, **Iran Khodro Industrial Group** is showing different models including **IKCO** Dena and Arisun models as well as the **Renault** Captur. After longer time Iran Khodro again presents the locally assembled Suzuki Grand Vitara at an Iranian auto show. Assembly of the **Chery Tiggo 5**, another premiere in Mashhad, will be launched at **Modiran Vehicles Manufacturing Company (MVM)** soon. In contrast to other Chery models assembled by the company which are badged as **MVM** the Tiggo 5 will be sold under the Chery brand. The Chery New QQ, which was already shown at the Shiraz auto show, is again exhibited in Mashhad. It will be badged as the MVM 110S in Iran. **Saipa Auto Group**, which was only presented through its subsidiary **Saipa Diesel** at the Shiraz show in June, shows a wide portfolio of **Saipa**, **Pars Khodro** and **Zamyad** companies in Mashhad. Vehicles shown by Saipa include the Saipa Ario, Saina, Tiba 2 and 151 models, the **Saipa Brilliance** H220/H230 and **Pars Khodro Brilliance** H320/H330 cars, Pars Khodro Rich pickup, **Kia** Cerato, **Renault** Koleos, **Changan** Eado and CS35 cars as well as two special version of the Zamyad Padra pickup and Zamyad's new models offered in cooperation with **Dongfeng Yuan**.

Saipa to launch Saina and Sandero models soon

The **Saipa Auto Group** will launch **Saipa Saina** and **Renault** Sandero models in the near future. "In next two months, two new vehicles that are called Saina and Sandero will be launched in the market," **Reza Taghizade**, head of sales and marketing at the Saipa Auto Group, said at the Mashhad auto show. "Our offered price for the Saina is about 28,500,000 toman that is offered to Council on Competitiveness and we are waiting for certification," Taghizade said about the price of the Saina. "The Sandero price is not announced yet," he added. "In the first four months of this (Iranian) year, Saipa has produced about 145,000 vehicles and sold about 125,000 units," Taghizade is quoted as saying.

Zamyad starts volume production of Padra Z24 pickup

Volume production of **Zamyad** Padra Z24 pickup single cab, a licence version of China's **Fudi** Xiongshi NHQ 1022 (export model name Lion), is underway at **Saipa Auto Group's** subsidiary **Zamyad Co**. While the vehicle

was unveiled in Iran in November 2013, it only recently finished the pilot production phase. Plans call for the production of 2,000 units in the current Iranian year 1394 (21st of March 2015 to 20th of March 2016) and up to 10,000 units in the next Iranian year 1395. According to the company the local content is about 60 percent. Zamyad is presenting two special versions of the Padra - a vehicle with a refrigerator body and a fire-fighting vehicle - at this week's Mashhad auto show. It is not clear whether the double cab version of the Padra, which was seen at the Zamyad plant last year, will be manufactured as well.



Zamyad launches models based on Dongfeng Yuan Xiaokang vehicles

Zamyad Co. has launched **Zamyad**-badged vehicles based on China's **Dongfeng Yuan Xiaokang** vehicles as part of an attempt to diversify its production portfolio. Vehicles which belong to the range such as the K01 (single cab) and K02 (double cab) versions are also exhibited at this week's Mashhad auto show.



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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