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### NEWS

#### International

##### ***Asahi Kasei receives all antitrust clearances for acquisition of Polypore***

**Asahi Kasei Corp.** announced that it had entered into a definitive merger agreement to acquire **Polypore International, Inc.** through a US subsidiary on the 23<sup>rd</sup> of February. The completion of the merger is subject to customary closing conditions and to the closing of the sale of Polypore's Separations Media segment to **3M Company**. On August 19, antitrust clearance for the merger was granted from the **Fair Trade Commission of the Republic of Korea**. With the receipt of this clearance, Polypore, Asahi Kasei and 3M Company have received all antitrust clearances from applicable U.S. and foreign regulatory authorities required in connection with the merger and the sale of Polypore's Separations Media segment. The transactions were expected to close on the 26<sup>th</sup> of August.

### Belarus/Russia

#### ***Belarus-assembled Chevrolet Tahoe to reach Russian dealerships in September***

Russian **Chevrolet** dealers are expected to launch sales of the Belarus-assembled Chevrolet Tahoe in September. The vehicles are assembled at the **SP ZAO Unison** plant in Obchak near Minsk.

### Czech Republic

#### ***Škoda to show Superb GreenLine in Frankfurt***

**Škoda Auto a.s.** will unveil the **Škoda Superb GreenLine**, a version with low fuel consumption, at the IAA auto show in Frankfurt. The Superb GreenLine, which is powered by a 1.6 TDI engine with 88 kW, is equipped with a manual six-speed gearbox. Just as the engines in the standard Superb, the 1.6 TDI is fitted with a start-stop system and brake energy recovery (recuperation) as standard. Additional features of the new GreenLine-Version include longer gear ratios and SCR (Selective Catalytic Reduction). The body, chassis and underbody has been aerodynamically fine-tuned. The chassis is 15 mm lower than the standard Superb. According to Škoda, the Superb GreenLine achieves a combined diesel consumption of 3.7 l/100 km. The CO<sub>2</sub> emissions stand at 95 g/km (hatchback version).

#### ***Škoda may launch sales in South Korea***

**Škoda Auto a.s.** may add South Korea as a new export market in the near future. According to a report published by The Korea Herald, **Volkswagen AG** plans to launch the brand **Škoda** in the country by the end of 2015. "**Volkswagen Korea** has been discussing the details recently. This had been classified information among top management for months, but was recently made known to insiders as the company is looking for a brand manager and other staff for Škoda," an unnamed source told The Korea Herald.

### Poland

#### ***ABC may change investment plans***

The Canadian **ABC Group** may change its investment plans for Poland. **ABC Automotive Poland Sp. z o.o.**, the Polish subsidiary of ABC Group, has acquired 2.6 hectares of land in **Bydgoski Park Przemysłowo-Technologiczny (Bydgoszcz Industrial-Technology Park)** in January. However, ABC Automotive Poland, which was earlier registered in Warsaw, has recently changed its registered office to the village Koninko near the city of Kórnik in the Wielkopolskie Region. Kórnik is located about 20 km south-east from Poznań. The move may indicate that the company will not construct its plant in Bydgoszcz. In January it was stated that ABC plans to erect a production and logistics hall plus office space with about 13,000 square metres of covered space in Bydgoszcz with the start of production scheduled for 2016. The project was expected to create some 150 new jobs.

#### ***Pilkington resumes production in Sandomierz***

**Pilkington Polska Sp. z o.o.** has resumed glass production at its plant in Sandomierz after a full modernisation of the furnace and the addition of a line for flat glass which is using the float glass production method. The furnace has been working without technological interruption since 1995. The company have invested about PLN 120 million in the modernisation.

### Russia

#### **AvtoVAZ unveils Lada Vesta Cross Concept in Moscow**

**ОАО AvtoVAZ** is debuting the **Lada Vesta Cross Concept** wagon at this week's Moscow Off-Road Show (26<sup>th</sup> to 30<sup>th</sup> of August). While the Lada Vesta sedan, which will go into volume production next month, was unveiled as concept at the Moscow auto show in August 2014, AvtoVAZ now shows a Vesta wagon in the public for the first time. "Lada Vesta Cross Concept shows an example of the development of the Lada Vesta and an interpretation of the new Lada X-shaped style on an all-terrain wagon format," the company said in a statement. The Vesta Cross Concept is a "tool for studying the reaction of consumers on the development of the Lada Vesta project," said AvtoVAZ's President and CEO **Bo Andersson**. "The chance of serial production of such vehicle exists, but it is too early to talk about the timing and technical characteristics," said Andersson.



### ***Lada XRAY: AvtoVAZ plans annual capacity of 60,000 units***

**ОАО AvtoVAZ** is currently planning an annual capacity of 60,000 units for its new model **Lada XRAY**, **Oleg Grunenko**, Director of the XRAY project, told Kolyosa.ru in an interview. Start of volume production is scheduled for December. The Lada XRAY will share the welding line with the Lada Largus and **Nissan Almera** models, while bodies for the **Renault** models manufactured at AvtoVAZ and based on the B0 platform are to be welded on another line. Grunenko also confirmed that the XRAY will be available with a choice of three engines: AvtoVAZ's VAZ-21129 1.6 litre engine with 106 hp, the Nissan H4MK 1.6 litre engine with 114 hp and AvtoVAZ's 1.8 litre engine with 123 hp. According to Grunenko, the 1.8 litre engine's pilot batch is expected to be manufactured in December. "Perhaps there will be some delay regarding the launch on the market, but they will be small - not six months, not two years, but just a month or two or three," Grunenko said about the 1.8 litre engine.

### ***AvtoVAZ builds first Lada XRAY pilot vehicle on the B0 assembly line***

The First **Lada XRAY** pilot car has been assembled at **ОАО AvtoVAZ**'s B0 assembly line. "Today we are assembling the first car of the so-called Pilot 1 batch, the quality service will evaluate (the car) and we will get permission to manufacture the entire batch," **Oleg Grunenko**, Director of the XRAY project, said in an interview with VAZ TV. The start of production of the Pilot 2 batch is scheduled for the 43<sup>rd</sup> calendar week, **Rudolf Cherepanov**, Head of the XRAY project responsible for industrialisation, told VAZ TV.

### ***AvtoVAZ: Grunenko on Lada XRAY Cross***

**ОАО AvtoVAZ** has changed its plans regarding its future model, the **Lada XRAY Cross**, Project Director **Oleg Grunenko** explained in an interview with Kolyosa.ru. "The question is rather complicated. What we planned to do - and in fact, we wanted to build a new car, with another wheel track, another base, slightly different dimensions, different sides, different body - requires very large investments in the current economic conditions," Grunenko said about the XRAY Cross project. "And we have already held several meetings about how to improve the situation," he added. "We say that in 2016 we will have a XRAY Cross, but it will be done as much as possible on the same platform as the XRAY. We will try to surprise our customers - I stress, surprise - but at a lower cost." But Grunenko underlines the differences to the XRAY. "It will not be the same car. It will differ in appearance, will have a completely different clearance." According to Grunenko, AvtoVAZ is working on the possibility to have a 4x4 version of the XRAY Cross as well. "It will have a 4x2 version and, hopefully, a 4x4".

### ***AvtoVAZ may not buy OAT***

**ОАО AvtoVAZ** may cancel plans to buy the supplier holding **ОАО Obyedinennye Avtomobilnye Tekhnologii (OAT)** or parts of the holding. According to Detali-Avto, the plan was not approved by the **Renault-Nissan Alliance**. Detali-Avto is quoting two sources which are close to OAT.

### ***UAZ prepares new model version based on the Patriot***

**ПАО UAZ** is preparing a new model version based on the **UAZ Patriot** SUV, kolyosa.ru reports. The vehicle is codenamed 3170. A restyled front will be among the changes, the report said.



### ***Mann+Hummel: Still no decision on time schedule for SOP in Togliatti***

German supplier **Mann+Hummel GmbH** has still not decided about the timing for the start of production at its new plant in the Special Economic Zone in Togliatti. According to information which was published earlier the start of production was planned for 2015. "The deterioration of the business will remain in Russia in the face of EU trade restrictions. Our plant in Togliatti will indeed be completed. However, we have not fixed a time for a production start," Mann+Hummel said in a statement.

### ***Project Kortezh: First pilot vehicles to be assembled in late 2017***

**Project Kortezh**, which includes production of large limousines for Russia's political VIPs as well as other vehicles, is to continue, Russia's Minister for Industry and Trade **Denis Manturov** confirmed. The first pilot vehicles are to be assembled at the end of 2017, Manturov told journalists.

### ***UAZ launches updated Patriot***

**PAO UAZ** has announced start of sales of an updated version of the **UAZ Patriot** SUV. The new version débuts at the Moscow Off-Road Show this week. The vehicle is available with new exterior colours - dark grey metallic and brown metallic - and new diamond-cut 18-inch wheels. New door trims now conceal the window seals. The seats received new seat covers. Enhanced speakers in the rear doors and new tweeters in the front doors improve the sound of audio system. Other changes include armrests with two cup holders for back seat passengers, gas struts that ease hood operation as well as frameless wiper blades fitted as standard. The upgraded Patriot starts at RUB 609,000.



### ***New procedure for granting subsidies for transport of cars assembled in Far East***

Russian Prime Minister **Dmitry Medvedev** has signed a document which changes the procedure for granting subsidies for the transport of cars assembled in the Far East to other parts of Russia. The document is aimed at improving the effectiveness of the subsidies, the press centre of the government said. It provides for a "new order of accounting documents, allowing to extend subsidies on longer routes of transport of vehicles, in particular, to the train stations of the Southern Federal District and the North-West Federal District."

### ***Car sales: Share of credits slightly lower***

The share of cars sold with the help of loans was 31 percent in the first seven months of this year, **Andrey Tomyshev**, Head of the Automotive Group in the CIS at **EY**, told the 6<sup>th</sup> International Moscow Automotive Forum. In 2014, the share was 33 percent.

### ***Vedomosti: Bugatti with new dealer in Russia***

The **Avilon Group** has been appointed as a new dealer for the **Bugatti** brand in Russia, **Vedomosti** reports, quoting unnamed sources. Bugatti, which has been in Russia since 2007, was sold by the **Mercury Group** in the past. Avilon's portfolio, includes the **Aston Martin**, **Bentley**, **Ferrari** and **Rolls-Royce** brands. There are about 20 Bugatti cars in Russia according to the report.

## **Russia/Egypt/Lebanon**

### ***Hyundai to export cars to Egypt and Lebanon***

The **OOO Hyundai Motor Manufacturing Rus (HMMR)** plant in St. Petersburg has launched production of **Hyundai Solaris** cars destined for Egypt and Lebanon. Plans call for the production of 550 cars for Egypt and Lebanon this month. The company plans to ship more than 4,000 cars to the two countries until the end of this year. The cars will be transported from St. Petersburg by sea and the transport will last not more than 1 month. Since April 2011, HMMR has been exporting cars to other CIS countries such as Kazakhstan, Belarus, Azerbaijan, Uzbekistan, Moldova, Armenia, Kyrgyzstan and Ukraine. Hyundai is the first foreign car manufacturer which is exporting Russian-made cars in a significant number outside of the CIS countries. Some years ago **OOO Volkswagen Group Rus** was considering the export of Russian-made **VW Polo Sedan** to the Middle East but the plan was cancelled.

## **Russia/Serbia**

### ***GAZ launches sales of Gazel Next in Serbia***

**Gruppa GAZ** has launched sales of its **GAZ Gazel Next LCV** range in Serbia. The model portfolio offered in Serbia includes several versions. The company **Verano Motors** is acting as the importer.

### Serbia

#### ***Subotica approves land assignment for ContiTech***

The city council of Subotica has approved a decision regarding the assignment of land to **ContiTech Fluid Serbia d.o.o.** destined for the construction of a second stage of its Subotica plant in the Mali Bajnok industrial park. As announced in July, ContiTech Fluid Serbia is planning to expand its existing hose assembly plant in Subotica with the construction of a second production building. Currently the shop floor area is 7,200 square metres. According to the information published by the city council, the Memorandum of Understanding signed in July comprises the investor's intentions that within the second investment stage it will build a production facility on 12,200 square metres, 6,000 square metres implied with the contract on land transfer in 2011 and an additional 6,200 square metres. While the company said in July that it will invest double-digit millions of euros, now the city council predicts that the investment will be €17 million in fixed assets. Based on the plan, the company, which currently employs about 650 people at the site, will successively create 500 new jobs until 2018 and will have a total of 1,150 employees after reaching full capacity. The investor shall keep the headcount number for at least five years. Construction of the new facility is to start before the end of 2015 and completion is scheduled for the fourth quarter of 2016.

### Turkey

#### ***BMW may be eyeing Turkey to set up a manufacturing plant***

**BMW AG** is studying the possibility of establishing a production plant in Turkey says a report in the Turkish daily Milliyet. BMW experts have already conducted three field trips and now a local consulting firm is putting together a feasibility study for them, says the article. It seems BMW will set up a logistics centre first, to be followed by a manufacturing unit. Right now land plots are being examined near Sakarya concludes the article.

#### ***Brisa Bridgestone receives investment incentive certificate***

Turkish tyre manufacturer **Brisa Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş.** has received investment incentive certificate from Ministry of Economy in conjunction with its TRY 660 million (\$226 million) investment in the expansion of its Izmit facility. The certificate includes insurance premiums employer's share support for 2 years, VAT and customs tax exemptions.

## NEWS FROM MIDDLE EAST AND AFRICA

### Egypt

#### ***Egyptian negotiations on new incentives for higher local content***

Negotiations regarding the possibility of new incentives for local assemblers connected to higher local content are underway in Egypt. "Along with our peers in the industry and the Egyptian Federation of Industries, we are backing a plan that would see assemblers that go further down the value chain into manufacturing rewarded. In return for continuing to create jobs for skilled labour, companies that increase their local content would be rewarded with a series of incentives that would make continued assembly and manufacturing operations possible," said **Raouf Ghabbour**, CEO of the Egyptian assembler and distributor **GB Auto S.A.E.**, during a conference call with analysts. "I look forward to reporting more on this front in the months to come" he added.

### Egypt/Iraq

#### ***GB Auto continues operations in Iraq despite problems***

Egypt's **GB Auto S.A.E.**, which acts as **Hyundai** importer for Iraq, is continuing its activities in the country despite various problems. "Iraqi operations continue to be negatively impacted by a particularly soft market as consumer confidence fell and the market flipped to oversupply due to the dumping of products on the market by non-authorised regional dealers," GB Auto said in a statement. "As with all other companies operating in the Iraqi market, GB Auto has reasonably low visibility at present on the expected pace of operations in the remainder of 2015." GB Auto said it still believes the Iraqi market is a key market in the MENA region. "Although it remains possible that turmoil will remain a feature of the Iraqi market for some time to come, private-sector actors who stay the course throughout the headwinds will be those ideally placed to capture the upswing when the market begins to improve," the company said. GB Auto is currently in the process of finalising two credit facilities from Iraqi banks that it will utilise in extending payment terms for Hyundai buyers, and that is expected to reflect positively on sales during the second half of 2015. Furthermore, the company said it will continue to cautiously expand its distribution footprint through rented outlets.

### Egypt/Turkey/Morocco

#### ***Ghabbour reiterates critics on unfair customs advantages from some countries***

**Raouf Ghabbour**, CEO of the Egyptian assembler and distributor **GB Auto S.A.E.**, is repeating his critical words on some free trade agreements. "As we move into the third quarter, I would like to again reiterate the pressing need for the government of Egypt to address the unfair customs advantage enjoyed by European, Turkish and Moroccan vehicles against assembled-in-Egypt cars. Our industry as a whole remains optimistic that the government will act on the matter, sooner rather than later," said Ghabbour. "The company is accustomed to operating in a lean, efficient manner in all aspects of the business – a trait that will serve us



well as the country's free trade agreements with the EU and Turkey on imports duties are fully implemented. These agreements have already placed Chinese and Korean vehicles at a disadvantage, and management believes the full implementation of the two partnership agreements could have a substantial negative impact on the market," the company said in a statement. "The Government of Egypt appears to recognise the difficult position into which automotive manufacturers and assemblers find themselves, and management is cautiously hopeful that it will take action. Management would welcome any system that offers incentives to domestic industry."

## Iran

### ***TCM prepares new Iran projects***

**TCM International Tool Consulting & Management GmbH**, the Austrian tool management company headquartered in Stainz, is preparing new projects with the Iranian automotive industry, said **Manfred Kainz**, TCM's CEO. Kainz will participate in an Austrian business delegation which will accompany Austrian President **Heinz Fischer** during his visit to Iran in the first half of September.

### ***Renault unveils Symbol***

**Neghin Khodro**, **Renault S.A.**'s importer in Iran, has unveiled the **Renault** Symbol sedan at a recent event in the country. Plans call for the import of the model as a completely built up vehicle. First Symbols are to be delivered to customers in next 3 months.

### ***Yazd Tire: Iranians should buy locally made tyres***

Iranian tire manufacturer **Yazd Tire** is calling for support from local customers. The company's CEO spoke about Yazd Tire's future plans at a conference in Mashhad. He also warned about low quality imports and encouraged people to buy Iranian tyres and support national production. "Yazd Tire has extended its licence agreement with Dutch company **Vredestein** for another 10 years in order to transfer technology and technical science and the company would continue to produce new-generation V series and Green tyres that are environmentally friendly," the company's CEO is quoted as saying. "Yazd Tire products are manufactured under the license of Vredestein and it is committed to follow special standards of that company in all the process of manufacturing".

### UPCOMING EVENTS

- » **August, 24-27:** MOSCOW, RUSSIA: MIMS AUTOMECHANIKA  
<http://www.mims.ru>
- » **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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