

INDEX

• International _____	1	• Slovenia _____	8
• Czech Republic _____	1	• Ukraine _____	8
• Hungary _____	2	• Uzbekistan _____	9
• Macedonia _____	2	• Uzbekistan/Latvia _____	9
• Poland _____	2	• News from Middle East and Africa _____	9
• Poland/Romania _____	3	• Iran _____	9
• Romania _____	3	• South Africa _____	10
• Russia _____	4	• Sudan _____	10
• Serbia _____	6	• Upcoming events _____	11
• Slovakia _____	7	• Imprint _____	11

NEWS

International

Magna announces closing of transaction with Grupo Antolin

Magna International Inc. has announced that it has completed the sale of substantially all of its interiors operations to **Grupo Antolin-Irausa S.A.** The completed sale transaction does not include two joint ventures in China, which are expected to close before the end of the year, pending regulatory approvals.

Czech Republic

Rolls-Royce dealership to be opened in Prague

Rolls-Royce Motor Cars Ltd. will open a dealership in Prague, the ČTK news agency reports. The dealership is expected to be operated by the **BMW** dealer **CarTec**. Currently there are about 90 Rolls-Royce cars registered in Czech Republic.

Hungary

Wittmann Group establishes new sales and service subsidiary

Wittmann Group, the Austrian-based manufacturer of injection moulding machines, robots and peripheral equipment for the plastics industry, will be present in Hungary with a new sales and service subsidiary from the beginning of September. The new company is located in Budaörs near Budapest. With the separation of sales and service activities from the Wittmann production plant in Mosonmagyaróvár and their relocation to Budaörs, the sales and service company is now located geographically within easy reach for customers from all parts of the country. The new, enlarged sales and service organisation with a workforce of 14 staff members will now take care of all tasks with customer contact, including project planning, customer support, repairs and spare parts service. **Zsolt Rapolti**, who has distributed the products of the Wittmann group in Hungary as a regional salesman since 2012, is the head of the new subsidiary in Budaörs.

Macedonia

New US investment expected to be announced this year

The Macedonian government is in final negotiations with a supplier regarding the construction of a plant in Technological Industrial Development Zone (TIDZ) in Strumica. The investment is worth €20 million and will provide 1.500 new jobs, Prime Minister **Nikola Gruevski** stated in Strumica. "I can say that we are in the final stage of negotiations with an international global company based in the US for the production of automotive parts for investing in TIDZ Strumica and to open about 1.500 new jobs. The company's officials have visited our country several times so far. There is an internal decision at the level of a division. It is expected that the decision will be confirmed at the holding level," Gruevski told journalists after visiting the industrial zone in Vasilevo. "If everything goes smoothly, we expect to announce the investment and to say exactly when construction will begin by the end of October, November or December at the latest." Representatives of the company are expected to visit Macedonia this week in order to specify details about the deal, the Prime Minister explained.

Technical Textiles opens plant in industrial zone Stip

The woven fabrics producer **Technical Textiles** has opened a plant in the industrial zone of Stip. The plant is to be engaged in the production of insulating materials for construction, automotive and aerospace industries. The plant, which has been built on an area of about 13,000 square metres, represents an investment of €15 million. According to Technical Textiles's Head **Jens Wendland** the plant currently employs 100 people. The number of employees is planned to reach 300 by early 2016. "If the investment is moving in a positive direction, as we expect, we are prepared to increase the number of employees and in the following years to climb up to 1,000 employees, and make other investments in other projects in the country," said Wendland.

Poland

New Opel Astra is up to 200 kilograms lighter than the previous generation

The new **Opel Astra**, which will be unveiled at the IAA auto show in Frankfurt, is significantly lighter than the previous generation. The official start of production at **General Motors Manufacturing Poland Sp. z o.o.**

in Gliwice, one of two plants which will manufacture the new Astra, is scheduled for the end of September. Depending on the model and trim level it is up to 200 kilograms – but in any case at least 120 kilograms – lighter than its predecessor. The new, thoroughly slimmed down vehicle architecture plays a decisive role in this weight loss: the bodyshell (body-in-white) and structure alone are over 20 percent lighter, down from 357 to 280 kilograms. Another 50 kilograms were saved in the design of chassis components: high-strength and ultra-high-strength lightweight steels, more compact subframes as well as modification to the front and rear suspensions all contributed to this end result. In addition, engineers decided against full underbody paneling to further optimize the aerodynamics of chassis and drivetrain elements, resulting in a double advantage: lower weight and reduced production costs that enable more attractive price structures for customers. Further size- and mass-optimization measures include shorter front and rear overhangs, as well as the up to 25 percent lighter exhaust system which saves around 4.5 kilograms on this part alone. The smaller wheels and tires weigh up to 11.5 kilograms less. The same is true for the brakes: as the system has less mass to decelerate, a more compact design weighing 10 kilograms less was possible – while delivering even better braking performance. Engines also make their contribution to lower weight.

Zetkama acquires majority in Masterform

Masterform Grupa Zetkama Sp. z o.o., a subsidiary of **Zetkama S.A.**, has acquired shares of the company **Masterform S.A.** from **BR Capital Sp. z o.o.** which represents more than 51 percent of the company's capital and about 60 percent of voting rights. In addition, the company bought more shares from Masterform's minority shareholders. As a result, Masterform Grupa Zetkama now owns shares which represent 78.38 percent of Masterform's capital and 75.9 percent of voting shares.

Poland/Romania

Rosti Group finalises acquisition of Bianor Poland and Romania

Rosti Group's acquisition of **Bianor** Poland and Romania has been finalised. It includes the plants in Białystok, Poland and Ploiesti, Romania. Bianor will be incorporated into the European division of the Rosti Group, led by Executive VP and Deputy CEO **Barry Coughlan**.

Romania

Dacia to introduce models with automated transmission

Automobiles Dacia S.A. will introduce the Easy-R automated manual transmission for the **Dacia** Logan, Logan MCV, Sandero and Sandero Stepway models at the IAA motor show in Frankfurt.

Leoni establishes new plant in Luduș

Leoni AG has decided to establish a new plant for the production of wiring harnesses in Luduș, about 44 kilometres from Târgu Mureș. The site in Luduș, which is located at 3,500 square metres of rented space in the city's industrial area, is a branch of **Leoni Wiring Systems RO S.R.L.**'s factory in Bistrița. The company plans to employ about 350 people in Luduș this year. According to **Cristian Moldovan**, mayor of Luduș, the number of employees may be increased to 600 in the future.

Russia

GM-AvtoVAZ to resume project of the new-generation Chevrolet Niva

Shareholders of **ZAO GM-AvtoVAZ** have supported the decision to resume the project of the new-generation **Chevrolet Niva** in the near future at the last meeting of the company's Board of Directors, Autostat was told by GM-AvtoVAZ's PR department. Currently, the company is negotiating with banks and government agencies on the conditions of funding which will allow the full resumption of the work on the project. "We estimate that it will take about one month to address these issues although the process may take longer because of the instability of the exchange rate and general economic instability. We intend to immediately resume work on the project as soon as all the necessary formalities will be completed," said the PR department of GM-AvtoVAZ. "With regard to the timing of the start of production, we are making the last amendments to the updated schedule of the project with all its components, including the willingness of our suppliers. Once this process is complete, we will make the appropriate statement."

Vehicle makers are asking for the possibility to use SKD assembly

Vehicle manufacturers such as the **Volkswagen AG** or **PSA Peugeot Citroën** are asking the Ministry for Industry and Trade to extend or resume the possibility to use the SKD assembly as part of their industrial assembly agreements with the government, Kommersant reports.

AvtoVAZ increases prices

OA O AvtoVAZ has increased prices of **Lada** Granta, Kalina, Largus and 4x4 models by 3 percent effective from the 1st of September. The price of the Lada Priora remains unchanged.

Nissan launches new press shop in St. Petersburg

OOO Nissan Manufacturing Rus has launched a new press shop at its plant in St. Petersburg. The first part manufactured at the new facility is the roof panel for **Nissan** Qashqai. Pilot assembly of the Qashqai is now underway at the plant. Production of panels for Nissan X-Trail and other models will follow soon. The Tandem IHI 5400 automatic press line allows the support of production of more than 115,000 cars per year. The press shop has 9,200 square metres of space. A logistics space with 4,300 square metres allows the storage of up to 50,000 parts. The new press shop, which initially runs in one shift, will employ 34 workers per shift.

PCMA to launch assembly of new Mitsubishi Pajero Sport next year

Assembly of the new-generation **Mitsubishi** Pajero Sport will be launched at the **OOO PCMA Rus** plant in Kaluga in 2016, **Naoya Takai**, President and CEO of the Mitsubishi distribution company **OOO MMC Rus**, said in an interview with Russky Avtomobil. "We will definitely not start this year and definitely start next year. When exactly – this is still an open question," Takai said about the assembly launch of the new Pajero Sport. Takai also said that Mitsubishi is not considering the assembly of the L200 pickup in Russia. "I can not tell you that this will never happen," Takai said when asked about the possible assembly of the Mitsubishi Mirage sedan in Russia. "Currently, for a number of reasons, we do not adapt this model for Russia."

Kommersant: Hyundai Kia checking other assembly sites in Russia

The **Hyundai Motor Group (Hyundai Kia)** has been checking other assembly sites in Russia over the last few months, Kommersant reports. According to the newspaper, the South Korean company examined possibilities at the **OOO AK Derways** plant in Cherkessk, which assembles Chinese cars, at the bankrupt **OOO TagAZ** as well as the possibility to use the industrial assembly agreement of **General Motors Co.**'s closed plant in St. Petersburg. These plans were frozen last month in conjunction with the negative development of the rouble exchange rate, Kommersant writes.

AvtoVAZ shows Lada XRAY at dealer meeting

OOO AvtoVAZ has shown a pre-series **Lada XRAY** crossover at a dealer meeting on the sidelines of the Moscow Off-Road Show last week. The car presented in Moscow had the equipment level Norma+. Start of volume production is scheduled for mid-December with the launch of sales scheduled for February.



Sollers publishes results for the first half of 2015

The **Sollers Group** has released its IFRS Consolidates Interim Financial Information and Review Report as of the 30th of June 2015. The revenue for six months which ended on the 30th of June 2015 totalled RUB 15,690 million, EBITDA was RUB 1,790 million and EBITDA margin 11.4 percent. The decline of the group's revenue was largely driven by the decrease in **SsangYong** sales, which was partly compensated by the improvement in the sales of **UAZ** vehicles. Operating profit of the group totalled RUB 1,240 million. The Sollers Group's net profit was also influenced by the results of the joint ventures' operations. The net effect of the 1H2015 joint ventures'

results (including the recognition of hedging instruments) was insignificant and added RUB 4 million to the group's net profit, which was a loss from the joint ventures' operations of RUB 1,337 million in the respective period of 2014. Consequently, net profit of Sollers Group, adjusted for non-controlling interest, amounted to RUB 940 million.

AvtoVAZ launches Lada Kalina NFR

Lada Sport, a subsidiary of **ОАО AvtoVAZ**, has launched small series production of the new sporty version **Lada Kalina NFR**. The hatchback is powered by an engine with 140 hp and reaches 207 km/h top speed.

AvtoVAZ to launch Vesta sales at selected dealerships

The new **Lada Vesta** will be sold at only about 60 Lada dealerships this year, Vedomosti reports, quoting two unnamed dealers. The total dealer network of **ОАО AvtoVAZ** includes 352 dealerships. The launch of sales of the Vesta is scheduled for the 25th of November. An unnamed representative of AvtoVAZ told Vedomosti that the Vesta will be sold in 22 Russian cities this year. The number of cities will be increased to 60 in the first half of 2016 with the remaining dealers to be added later.

AvtoVAZ's dealer network takes over distribution of VIS-Avto's vehicles

The dealer network of **ОАО AvtoVAZ** has taken over the distribution of vehicles such as pickups or furgons manufactured by AvtoVAZ's subsidiary **ООО PSA VIS-Avto**. Until now VIS-Avto signed direct agreements with dealers. Some of them were not Lada dealers. The company expects to produce about 700 vehicles with original VIS-Avto design this year, **Mikhail Chestnov**, commercial director of VIS-Avto, told Russky Avtomobil.

UAZ develops six-speed transmission

PAO UAZ is working on the development of a six-speed manual transmission, Kolyosa.ru reports, without providing more details.

Foton to sell SUVs and pickups in Russia

Chinese manufacturer **Beiqi Foton Motor Co. Ltd.** plans to launch sales of its **Foton** Sauvana SUVs and Tunland pickups, representatives of the company said at the Moscow Off-Road Show last week. The company plans to open a Moscow office for the distribution of its light vehicles soon, ZaRUlyom.RF reports. In some cases, Russian dealers which are selling Foton commercial vehicles may offer the Sauvana and Tunland models as well. Current plans call for the launch of sales in early 2016.

Serbia

Leskovac to provide space of insolvent company to Yura

The city council of Leskovac will start the process of letting publicly-owned real estate of failed companies to be used by new investors. The property of the former company **Jugekspres** will be given to the supplier **Yura Corporation d.o.o.** which plans to invest €13 million and to hire 1,300 people.

Slovakia

Company opposes fraud claims in conjunction with land for Jaguar Land Rover

A company called **Pol'nohospodárska pôda s.r.o.** (or **Agricultural Land** in English) which has been buying up plots in Nitra on which **Jaguar Land Rover Automotive plc** is planning to build a factory, plans to file a criminal complaint for slander against the non-parliamentary **Siet'** party leader **Radoslav Procházka**, the TASR news agency reports. "Our company maintains that it's become the target of a political campaign pursued by political crook Radoslav Procházka," TASR is quoting the company's statement. "Although he attempted to formulate his deceitful claims in a careful manner, as a lawyer he must know that he'll face a petition filed by our company." In an earlier statement, Procházka mentioned reports which said that "several weeks before the official confirmation of the arrival of the new investment in Nitra landowners were inundated by all sorts of people who offered them a price to the tune of several tens of euro cents (per square metre), while the state is offering €15" according to TASR. Some 70, mostly elderly, people have fallen for the stratagem, Procházka said. The net profit of speculators who have been buying up land from people with a plan for subsequent could reach about €2 million. The company explained that the owners agreed to prices between €0.30 and €5 per square metre. According to Procházka, Pol'nohospodárska pôda had the very same list of land plots and their owners as the state-owned **MH Invest** company. Another suspicious factor is that the contracts the crooks offered to people weeks before the investment have been confirmed to look much like the ones presented by MH Invest, according to Procházka. Pol'nohospodárska pôda said that it has no postbox company in Slovakia or in any tax haven, and that it does not misuse any contacts with politicians. It explained that it had planned to buy up plots near Nitra since last year. More than three dozen former landowners now want to annul the sale of land to Pol'nohospodárska pôda. **Juraj Bizoň**, an attorney whose law firm is representing the people, told Denník N, that it was a speculative transfers which should not have been authorised by the competent authority. He said the transaction should be explored by prosecutors and courts. The Ministry of Economy stated that it will not buy parcels from speculators and it is not worried about delays in the preparation of the project.

Kia shows pictures of new Sportage



Kia Motors Corporation has revealed the first exterior images of the all-new **Kia Sportage**. The new model, which will make its global debut at the IAA motor show in Frankfurt, will be manufactured at **Kia Motors Slovakia s.r.o.** The 'face' of the new Sportage represents the biggest change to the car's design, with the headlamps no longer integrated with the grille for the new model, instead sweeping back along the outer edges of the more sharply-detailed bonnet and bolder wheel arches. The new Sportage is characterised by its sportier, more raked profile compared to the outgoing model. At the rear, the horizontal forms and surface volume emphasise the car's width and give the compact SUV a more stable appearance. Inspired by the 2013 Kia Provo concept car, the slim combination lamps are joined by a strip that runs the width of the rear, while turn signals and reversing lights are separated, relocated lower down to add more visual weight and a greater sense of stability to the lower half of the car. The design of the new Sportage has been led by Kia's European design studio in Frankfurt, Germany, with input from the brand's Namyang, Korea and Irvine, California design centres. For the first time, a new 'GT Line' specification is available to Sportage customers.

Volkswagen reports lower car production

Volkswagen Slovakia a.s. manufactured 202,778 cars in Bratislava in the first half of 2015, down 9.96 percent from like-2014. The 222,970 vehicles produced between January and June 2014 was the highest-ever production result in the first half of a year in the company's history. The total figure includes completely assembled cars as well as bodies for the **Porsche** Cayenne. The company also manufactured 150,600 transmissions, a similar number to the first half of 2014. Component production at Volkswagen Slovakia's second plant in the city of Martin was also similar to the first six months of the previous year with about 17.8 million units. The tool plant in Stupava produced some 11,600 units of production equipment. The turnover increased by about 6 percent to €3.5 billion.

KOTRA to open office in Slovakia

The **Korea Trade-Investment Promotion Agency (KOTRA)** will open its office in Slovakia by the end of this year.

Slovenia

TAB reports high profit increase

TAB d.d., the battery manufacturer located in Mežica, reports €16.4 million profit for last year, up 43 percent from 2013. Revenue was €174.7 million, which is an increase of 16 percent. Industrial batteries accounted for slightly more than half of the total revenue while starter batteries accounted for the rest. TAB manufactured 2.19 million starter batteries (30,000 more than 2013) and more than a million industrial batteries (compared to 940,000 in 2013) last year.

Ukraine

Ukraine to cancel additional import duty from the 1st of January

The Ukrainian government will cancel the additional import duty from the 1st of January 2016, the press service of the Ministry for Economic Development and Trade said. The additional import duty for cars is 5 percent.

Uzbekistan

Construction of rubber products plant starts in SIZ Angren

Construction of a plant for production of automobile and agricultural tyres as well as conveyor belts was officially launched at the special industrial zone Angren on the 28th August 2015. Chinese companies **Poly Group** and **ChemChina** as well as **Asiatech Consulting Ltd.** of Australia are involved in the project. The new plant will have an annual capacity of 3 million automobile tyres, 200,000 agricultural tyres and 100,000 metres of conveyor belt.

Uzbekistan/Latvia

GEFCO extends MAN spare parts to Uzbekistan

GEFCO Baltic has extended an agreement with **MAN Truck & Bus AG** for the transportation of components destined for the **MAN Auto Uzbekistan** assembly plant, a joint venture between MAN and **AK UzAvtoSanoat**. GEFCO will provide a full chain of supply of parts from MAN plants in Austria and Germany to the MAN Auto Uzbekistan factory in Samarkand. Originally the project was launched in April 2014 and lasted one year. It is expected that GEFCO will transport 800 units of 40-foot containers from Germany and 50 containers from Austria between April 2015 and March 2016. 972 40-foot containers were transported from Germany and Austria to Uzbekistan between April 2014 and March 2015. Initially, the parts are transported to the port of Hamburg, Germany. From there a ShortSea connection to Riga, Latvia is used. Between Riga and Samarkand the components are transported by train.

NEWS FROM MIDDLE EAST AND AFRICA

Iran

Iran Khodro and Saipa looking for new loans

Iran Khodro Industrial Group and **Saipa Auto Group** are looking for new loans. Representatives of the automotive industry met recently **Mohammad Reza Nematzadeh**, Minister of Industries, Mining and Trade and members of two parliamentary commissions responsible for industry and economic to discuss the latest automotive developments. The possibility of providing loans was discussed during the meeting. According to **Ali Alilou**, a member of Majlis Industries Commission, the loans discussed are to the tune of 40 trillion rials (\$1 billion at market exchange rate), with IKCO and Saipa each receiving half the amount, Fars News Agency reported. Alilou said that vehicle manufacturers have strong lobbies in the parliament and the Ministry of Industries, Mining and Trade, which manage to coax the officials and help them take out another hefty loan. „Providing a loan to the auto sector in this backdrop is a grave injustice to other smaller industries,“ he said in conjunction with the situation most industries are suffering from lack of working capital. „Providing a loan to the auto sector in this backdrop is a grave injustice to other smaller industries,“ Alilou is quoted as saying.

He underlined that it would be a mistake to provide loans to industries that only incur losses, especially since the automakers have failed to pay back their previous loans. „In these conditions, providing loans to the auto industry is nothing but falling into a vicious circle,“ Alilou said.

Iran Khodro may assemble Audi cars

Audi AG is in talks to **Iran Khodro Industrial Group** regarding an assembly project, Eghtesad News reports. According to the report the first locally assembled **Audi** model may be launched on the market in 2017.

Iran halts import of BMW i8

Iran has halted the import of **BMW i8** hybrid electric-gasoline sports car due to a lack of “after-sales support” from the German manufacturer in the country, according to a report published by Sobhane Online. The article also said that because of its undefined classification, the car will not receive a license plate. Prior to that it was allowed to sell the BMW i8. Some cars were imported from the Persian Gulf countries. However, some BMW i8 cars are reportedly still offered in some showrooms in Tehran.

South Africa

Volkswagen to make new investment in South Africa

Volkswagen AG will invest more than ZAR 4.5 billion (\$340 million) in South Africa. The company will spend about ZAR 3 billion on production facilities at Uitenhage and ZAR 1.5 billion on improving the supply chain by 2017, Volkswagen said in an e-mailed statement to Bloomberg. “Exports will again play a key role in our strategy going forward,” **Thomas Schäfer**, managing director of **Volkswagen Group South Africa**, explained in the statement.

Sudan

BYD receives order for 10,000 cars from local assembler Giad

BYD Company Ltd. and Sudanese vehicle manufacturer **Giad Motor Company Ltd.** signed a purchase agreement for 10,000 **BYD** passenger cars in Beijing. The signing ceremony was joined by Sudanese President **Omar al-Bashir**, Giad’s General Manager **Mohamed Ahmed Al-Amin** and other senior officials and representatives from both China and Sudan. The BYD cars to be supplied to Sudan include hybrid and gasoline models such as for example BYD L3 sedan and S7 SUV.

UPCOMING EVENTS

- » **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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