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NEWS

International

Alcoa to separate in two public companies

Alcoa Inc. announced that its Board of Directors has unanimously approved a plan to separate into two independent, publicly-traded companies, culminating Alcoa's successful multi-year transformation. The separation will launch two companies. The **Upstream Company** will comprise five business units that today make up Global Primary Products - Bauxite, Alumina, Aluminum, Casting and Energy. The **Value-Add Company** will include Global Rolled Products, Engineered Products and Solutions, and Transportation and Construction Solutions. The transaction is expected to be completed in the second half of 2016. At that point Alcoa shareholders will own all of the outstanding shares of both the Upstream and Value-Add Companies. The separation is intended to qualify as a tax-free transaction to Alcoa shareholders for U.S. federal income tax purposes. Both independent companies will attract an investor base best suited to their unique value

proposition and operational and financial characteristics. Both entities will be capitalized prudently, with the Value-Add Company targeting an investment grade rating and the Upstream Company a strong non-investment grade rating. After the separation, the Upstream Company, with its strong history in the aluminum and alumina markets, will operate under the Alcoa name. The Value-Add Company will be named prior to closing. Upon completion of the transaction, **Klaus Kleinfeld**, Alcoa's Chairman and CEO, will lead the Value-Add Company as Chairman and CEO. He will also serve as Chairman of the Upstream Company for the critical initial phase, ensuring a smooth and effective transition. Each company will have its own independent board of directors that will include members of the current Alcoa Board. Full management teams and boards for both companies will be named in the months leading up to the launch of the two companies in the second half of 2016.

Czech Republic

Volkswagen appoints Maier as Škoda's new CEO

Bernhard Maier (55), who currently serves as Board Member for Sales and Marketing at **Porsche AG**, has been appointed new CEO of **Škoda Auto a.s.** effective as of the 1st of November. He will replace **Winfried Vahland** (58) who will take over all responsibility for **Volkswagen AG's** newly formed North American Region (NAR). In this role he will also be a member of the **Volkswagen passenger car** brand's Board of Management. After completing his training as a car mechanic and then obtaining his qualification as a master mechanic, Mayer studied business management in Calw, Germany. After working for **Nixdorf**, he joined the BMW AG sales organisation in 1988, assuming various management positions in Germany and abroad. In June 2001, Maier joined Porsche and ran the company's domestic sales subsidiary. In 2010, he took over the position of Board Member for Sales and Marketing.

Volkswagen announces new management structure

Volkswagen AG has announced a new management structure. At Group level the management structure will be oriented even more systematically to the modular toolkits. These toolkits feature standardized technical components for each automotive vehicle segment (volume, premium, sport and commercial vehicles). Consequently, a **Porsche** brand group with **Bentley** and **Bugatti** will be established for the sportscar and mid-engine toolkit. The toolkit strategy will come under the even closer guidance of the Group CEO; a separate department will be set up for this purpose. The **Audi** brand group with **Lamborghini** and **Ducati** will be continued as will the **Truck Holding**, and the **Power Engineering** and **Financial Services** business lines. The volume brands **Volkswagen** (with principal responsibility for the modular transverse toolkit), **Seat**, and **Škoda** will be represented by one member each in the Group Board of Management.

Škoda unveils Octavia RS with all-wheel drive

Škoda Auto a.s. has unveiled a new version of the **Škoda** Octavia RS. The Octavia RS with all-wheel drive, which is available in both body versions, is powered by a 2.0 TDI diesel with 184 hp and equipped with a six-speed DSG transmission. Škoda has already sold more than 58,000 units of the third-generation Octavia RS since 2013.

Panattoni Europe and BWI lay cornerstone for new plant in Cheb

Panattoni Europe and the supplier **BWI Group** have officially launched construction of a 15,000 square metre plant at the **Panattoni Park Cheb** close to the German border. BWI plans to create 300 new jobs at the new facility. According to **Michal Bezděka**, Head of Industrial Agency at the real estate company **CBRE**, BWI's decision to locate a new plant in Cheb was preceded by a detailed analysis of more than 30 sites in the Czech Republic and Poland. BWI will produce passive dampers for companies such as **BMW, Volvo, Audi, Opel** and **Jaguar Land Rover**.

Hungary

Hirtenberger invests in Pápa

Hirtenberger Automotive Safety Hungary Bt has invested HUF 840 million at its Pápa site. The project, which saw the installation of two new production lines and 17 new machines, was supported by a HUF 233 million EU grant. **Gábor Király**, director of the plant said the new investment has enabled the company to increase production of pyrotechnic activators by 30 percent.

Lack of suitable employees becomes major headache for suppliers

According to vs.hu the **Bakony-Balaton Gépjárműipari és Mechatronikai Klaszter**, an Ajka-based cluster of local suppliers, announced a recruitment event at the beginning of September, which was subsequently cancelled. It seems suitable workers went abroad: "Those who can write, count and can work from 6 to 2 without hesitation have all left the country," said **László Gellén**, leader of the cluster and business director of **Poppe+Pothoff Hungária Kft**. Other companies reported similar problems. In turn an **Audi Hungaria Kft** spokesperson said that they don't have such issues, but "in case of electrical and mechatronics engineers we need to use special recruitment measures".

Macedonia

ODW-Elektrik starts construction of new plant

German supplier **ODW-Elektrik GmbH** has started construction of a new plant in the Technical-Industrial Development Zone (TIDZ) Ohrid/Struga. The facility, which represents an investment of €15 million, will be erected in two stages and create about 1,000 new jobs. The construction work is expected to be finished by June 2016. Macedonian Prime Minister **Nikola Gruevski** joined the groundbreaking ceremony. "The plant will cover an area of 5,000 square metres. In the first stage, the factory will employ 500 people and we plan to double our production capacity in the second stage so that we will reach up to 1,000 people," ODW-Elektrik's CEO **Ludwig Bathon** said. "ODW-Elektrik has ambitious plans in Macedonia, we are planning to boost production, offer different product and introduce new technologies." While ODW-Elektrik is constructing a greenfield plant, it is currently operating a brownfield facility.

Poland

Opel launches production of new Astra

General Motors Manufacturing Poland Sp. z o.o. (GMMP) has celebrated the official launch of volume production of the new-generation **Opel Astra** hatchback at its plant in Gliwice. In addition to the new hatchback, the factory manufactures the previous generation Astra sedan, GTC and OPC versions as well as the Cascada convertible.

Boryszew to construct new plant in Toruń

Polish supplier **Boryszew S.A.** will construct a new plant for the production of plastic parts in Toruń. The investor, **Boryszew Components Poland Sp. z o.o.**, plans to buy a 2.65 hectares plot which is currently owned by the state. The production equipment is expected to include some 50 injection machines. Plans call for the investment of at least €50 million and creation of 200 new jobs.

LG Chem may build battery plant in Poland

South Korean company **LG Chem Ltd.** said that it has decided to build an electric car battery plant with an annual production capacity of 50,000 batteries in Europe and is looking for a site. The most likely location is Wrocław in Poland, where **LG Electronics**, **LG Display** and **LG Innotek** have their subsidiaries.

Poland/Bulgaria

Great Wall starts with Bulgarian-assembled vehicles in Poland

Polish company **Ecce Baltica Motors Sp. z o.o.** has launched sales of **Great Wall** vehicles sourced from the Bulgarian **Litex Motors AD** assembly plant in Bakhovitsa. The company, which offers the Great Wall H6 SUV and Steed pickup, is already accepting orders. The dealer network is expected to consist of 7 to 10 dealerships at the end of 2015 and up to 27 dealerships at the end of 2016. Plans call for the launch of the **Haval** brand at the turn of 2016 and 2017.

Romania

Ness opens second technology innovation center in Romania

Ness Software Engineering Services (SES) of the USA is opening its second Technology Innovation Center in Romania. The new campus, located in Timisoara, enables Ness to tap into an abundant talent pool in Romania that includes deep automotive industry expertise and experience aligning big data and consumer-facing applications to develop and deliver new solutions. "Timisoara extends our global footprint and commitment to Central and Eastern Europe as a region rich with talent. As we know from the continued success and growth of our teams in Iasi, Romania and Kosice, Slovakia, this region is especially tuned into the pace and changing requirements of the digital economy," said **Paul Lombardo**, Ness SES CEO. The Ness Timisoara Technology Innovation Center officially opens in January 2016. Ness expects to grow the Timisoara location to 400 or more employees over the next four years. In addition to focusing on the automotive

industry and DACH (Germany, Austria, Switzerland) countries, the facility will attract talent skilled in high-performance systems, functional programming such as C and C++, and big data from marketing/online advertising. **Octavian Tanase**, Ness SES associate VP of Delivery, will oversee the new center in collaboration with management from the company's lasi location.

Russia

AvtoVAZ launches production of Lada Vesta

ОАО AvtoVAZ has officially launched the volume production of the new **Lada Vesta** sedan at its **IzhAvto** plant in Izhevsk, which is recently also called **Lada Izhevsk**. According to AvtoVAZ, the current local content of the Vesta is 71 percent. Currently the Izhevsk plant produces about 20 Vestas per day. This number is to be increased to 150 cars per day by the end of 2015. Sales of the new model will start on the 25th of November. Prices of the new model were not published yet.



AEB lifts sales forecast for 2015

The Association of European Businesses (AEB), which compiles Russia's monthly sales statistics for cars and light commercial vehicles, has changed its forecast for this year. "We are preparing to make a new and updated forecast," **Jörg Schreiber**, Chairman of the AEB's **Automobile Manufacturers Committee**, told the Reuters Russia Investment Summit, held at Reuters' office in Moscow. "We might end up with 1.6 to 1.7 million units this year." AEB's earlier forecast expected sales of 1.55 million units. According to Schreiber, car buyers have recently rushed to buy, anticipating dealers would soon raise prices to account for a renewed drop in the rouble in July and August. The spike in demand will likely last around three months, Schreiber said.

Russia expected to extend support for the auto industry until the end of 2015

Russian government will likely extend the current programmes destined for the support of the local auto industry until the end of this year. Russian Prime Minister **Dmitry Medvedev** agreed to extend the programmes in a meeting with **Denis Manturov**, Minister of Industry and Trade.

Change at the top of GM-AvtoVAZ

Romuald Rytwinski, currently Manufacturing Manager **GM Russia, CIS & Uzbekistan**, has been appointed as Managing Director of **ZAO GM-AvtoVAZ** effective as of the 5th of October. He will keep his other existing responsibilities. Rytwinski replaces **Jeffrey Glover**, who after more than 5 years as GM-AvtoVAZ's Managing Director (in two periods) will repatriate to Rüsselsheim, Germany, as part of reporting changes within Europe and in GM's European Manufacturing organisation. His new role will be Director Special Projects with the **Opel** team in support of General Motors Europe's vital restructuring activities. Rytwinski, who is of Polish origin, joined GM in May 1994 and has worked as an Assistant Vehicle Line Engineer for Opel Agila, as well as Plant Director in Poland and Spain prior to his assignment to Russia some years ago. In addition, **Dr. Stefan Mauerer**, **OAO AvtoVAZ's** Executive Vice-President for Finance & Corporate Development, and **Nihar Patel**, **General Motors Co.'s** Vice President for Corporate Development, Global Mergers & Acquisitions Europe, joined the Board of Directors. The new Board is comprised of the following individuals: On the part of AvtoVAZ it includes **Bo Andersson**, President and CEO, **Stefan Mauerer**, and **Nikolay Stokov**, Executive Vice President, Manufacturing. On the part of General Motors, the Board of Directors members are **Andreas Busch**, former Interim President and Managing Director, **GM Russia and CIS** and now CFO European Manufacturing, **Nihar Patel** and **Peter Thom**, Vice President, Manufacturing, **GM Europe**.

AvtoVAZ to phase out production of Priora this year

According to various reports and documents published in Russia, **OAO AvtoVAZ** plans to phase out production of the **Lada Priora** in December.

AvtoVAZ not to double exports this year

In contrast to previous statements of **Bo Andersson**, President and CEO of **OAO AvtoVAZ**, which said that the company will double its exports of **Lada** cars compared to last year. "I still think that we will have growth of exports, but it will not be doubled," Andersson told Interfax. Last year AvtoVAZ exported 55,463 Lada cars and assembly kits. This year's exports may be even lower than last year, writes Vedomosti, quoting unnamed sources to AvtoVAZ. The main reason are lower sales in Kazakhstan.

General Motors appoints new Managing Director for Russia

Luca Patignani has been appointed the new Managing Director of **General Motors Russia**. The restructuring of GM's business in Russia will be completed under his leadership. After that the company will focus on the premium segment of the automotive market, continuing to sell in Russia the entire model range of **Cadillac** and the **Chevrolet** Corvette, Camaro and Tahoe models. Warranty service and aftersales business of all **Opel** and mass market Chevrolet models will be continued after these vehicles are phased out of the Russian market by the end of 2015. Luca Patignani has been working with General Motors since 1989. In 2012 Patignani was appointed Managing Director of **General Motors CIS** and was responsible for Opel and Cadillac business in Russia.

Serbia/Hungary

Tisza Automotive celebrates official opening

Serbian Prime Minister **Aleksandar Vučić** and Hungarian Minister of Foreign Affairs and Trade **Péter Szijjártó** has visited the Hungarian-owned supplier **Tisza Automotive d.o.o.** in Senta for an official start of production of the plant. However, the company which manufactures wiring harnesses already started operations last year.

Serbia/Turkey

Teklas to establish production in Vladičin Han

Serbian government has approved an investment agreement with the Turkish supplier **Teklas Automotive** regarding a new plant which will be located in Vladičin Han in South Serbia. Teklas will invest at least €11.3 million and create at least 400 new jobs. Initially Teklas plans to use existing premises of the former company **AD Sloga** in Vladičin Han. Plans call for the employment of the first 100 workers before the end of this year.

Slovenia

Revoz to cut production, jobs

Revoz d.d. will reduce production of the **Renault** Twingo and **smart** FourFour models at its plant in Novo Mesto from 42 to 38 cars, which is a reduction by about 10 percent. Because of the reduction, the company will lay off some 150 people, mainly workers with temporary contracts.

Turkey

Tofaş launches production of Fiat Aegea

In the presence of **Mustafa V. Koç**, Chairman of **Koç Holding A.Ş.**, and **Cengiz Eroldu**, CEO of **Tofaş Türk Otomotiv Fabrikası A.Ş.**, production of the new **Fiat** Aegea sedan was launched. "Turkish customers named our new model, inspired by the Aegean Sea. It appeals to the domestic market and to Western and East European markets as well. It will be exported to 40 countries in Europe, the Middle East and North Africa. On the same platform two more vehicles will be produced: a station wagon and a hatchback," said Eroldu at the ceremony.

Ukraine

Kromberg & Schubert to establish plant near Zhitomir

German supplier **Kromberg & Schubert GmbH & Co. KG**, which currently operates the **TOV Kromberg and Schubert Ukraina** plant in Rovantsi near Lutsk, plans to establish its second Ukrainian production facility which will be located in Oliivka near Zhitomir.

PSA appoints new marketing director

Victor Stepanenko, who previously served as commercial director of **Citroën** in Ukraine since 2010, has been appointed marketing director at **PSA's** distribution subsidiary **Peugeot Citroën Ukraine**. He replaces **Nicolas Schmid** who returned to PSA's headquarters in France.

Uzbekistan

Bigelow appointed new CEO at GM Powertrain Uzbekistan

Shareholders of **GM Powertrain Uzbekistan YoAJ (GMPT)** appointed **Jennifer Bigelow** new General Director of the engine plant effective as of the 1st of December. She will replace **Robert Geist**, who was Head of the company since March 2014. Bigelow already serves as Assistant Plant Manager at GMPT since August. Prior to that, she worked as Plant Manager and Director of Manufacturing at **General Motors (Powertrain) Thailand Ltd.** between June 2012 and August 2015.

General Motors to unveil Cobalt facelift

General Motors Co. is expected to unveil a facelifted version of the **Chevrolet Cobalt** in the near future. The car will be first shown in Brazil with Uzbekistan to follow later.

NEWS FROM MIDDLE EAST AND AFRICA

Algeria/Tunisia

Mahindra leaves Algerian market

The Indian brand **Mahindra** is leaving the Algerian market. Mahindra was launched in Algeria in 2008. It was imported by **Eurl Saïda**, a subsidiary of **GBH (Groupe Bernard Hayot)**. New standards of the automotive business in Algeria as well as the desire of the Indian manufacturer to strengthen its presence through a new distributor, a Tunisian investor, who then abandoned the project, were among the reasons for the decision to phase out Mahindra sales in the country according to local media.

Iran

Minister Nematzadeh criticizes PSA

Iranian Minister of Industry, Mines, and Trade **Mohammad Reza Nematzadeh** criticised **PSA Peugeot Citroën**. "Although six million **Peugeot** cars are travelling on roads in Iran, our people are dissatisfied to some extent with Peugeot's performance," Nematzadeh said in a meeting with a high-ranking economic delegation from

France, including PSA's senior officials, the Tasnim News Agency reports. "One of the people's grievances is that you have been working with Iran for 40 years and we still have to be consumers of your old products," Nematzadeh is quoted as saying. He also underlined that in the new era of mutual cooperation between Iranian and French automakers, including PSA and **Renault S.A.**, Iran insists on joint production of new models.

Pars Khodro plans production of 10,000 Sanderos by the end of 1st quarter 2016

As already reported, volume production launch of the **Renault** Sandero was celebrated at **Pars Khodro** earlier this month. According to **Mehdi Jamali**, CEO of the **Saipa Auto Group**, plans call for the production of 10,000 Sanderos by the end of the current Iranian year (20th of March 2016).

Iran Khodro: Tafazzoli on export strategy

Saeed Tafazzoli, Deputy for Export and International Department at **Iran Khodro Industrial Group (IKCO)**, made comments on the company's export strategy. He underlined the importance of the Euro 5 standards as the CIS countries are among IKCO's main target markets. "Our research have led us to divide the global markets into the three categories of current, potential and destitute markets," Tafazzoli explained. „The first category includes Iraq, Syria, North Africa, CIS countries and Venezuela. The second market are found in Eastern Europe with Euro 4 standards, Senegal, Latin American countries and the third category consists of Persian Gulf countries, Turkey, East Asian and African countries," Tafazzoli said.

Rouhani: No ban on US companies

Iran's President **Hassan Rouhani** said US companies can actively work in Iran after the termination of Western sanctions. "Tehran considers no restriction on the presence of US companies (in Iran)," Rouhani said in a meeting with managers of US companies in New York. "Undoubtedly, these barriers and disagreements will not remain there," he explained when speaking about possible obstacles in the way of investment and presence of US companies in Iran.

France opens trade office in Iran, plans joint commission

France has opened a business development office in Iran. French Agriculture Minister **Stephane Le Foll** and Minister of State for Foreign Trade **Matthias Fekl** inaugurated the "Business France" office in Tehran. In a meeting with Iran's Minister of Communications and Information Technology **Mahmoud Vaezi** in Tehran, Fekl said it has been agreed to form a joint commission in order to boost "strategic programs" in various economic fields.

Lotus inaugurates showroom in Tehran

Iliia Motor Co. as officially opened the first Iranian **Lotus** showroom in Tehran. **Jonathan Stretton**, Director, **Lotus Cars Middle East & North Africa**, joined the ceremony. According to **Mohammadali Basravi**, CEO of Iliia Motor, once Iranian buyers place an order, the vehicle will be ready for delivery in at most two and a half months. As the import of cars with engines over 2.5 litres is banned, the company is currently taking orders for the Lotus Elise S and Elise 220 Cup.

Iran/Iraq/Senegal

Iran Khodro reports higher exports

Iran Khodro Industrial Group (IKCO) has exported over 6,000 vehicles in the first half of the current Iranian year 1394 (21st of March 2015 to 20th of March 2016). The largest part of Iran Khodro's export shipments in 1394 was destined for Iraq „due to the advantage of long-time presence of our company in the neighboring country“, said **Saeed Tafazzoli**, IKCO's Deputy for Export and International Department. “During the first half of 1394, our export grew up considerably in comparison with the previous year. About 2 percent of our production have been exported in the current year,” he said. He also referred to the production of IKCO's foreign sites saying: “Our main foreign site is located in Iraq and operating at full capacity. Other foreign sites are also operating regularly in Venezuela and Senegal.”

South Africa

BMW to announce next model for South Africa soon

BMW AG is expected to announce the next model for its South African plant in Rosslyn soon. Currently the plant manufactures the **BMW 3 Series** which was launched in 2012. A decision “should not be that far off,” said **Ian Robertson**, BMW's member of the board of management responsible for sales and marketing. “We're progressing to an announcement but are not quite ready for that yet. South Africa is an integral part of our worldwide network,” Robertson is quoted as saying by Business Report. “It has delivered on everything that we set out to achieve. Clearly there are some challenges but I'm sure they will be overcome. Rosslyn and its workforce will continue to prosper as a result.” He also said it was unlikely that two models would be produced at the South African plant in the future. Whatever the next car was that was produced by BMW in South Africa would require significant investment, **Klaus Fröhlich**, BMW's Member of the Board of Management, said according to Business Report. Robertson explained the decision was not dependent on an announcement by the Trade and Industry Department on the review of the Automotive Production and Development Programme, the outcome of the negotiations about the renewal of the Africa Growth and Opportunity Act (AGOA) or labour stability issues in South Africa. According to Robertson, the benefits of AGOA are viewed as “the cherry on the top” because it was not a good business case if production and investment decisions were dependent on them, Business Report writes. AGOA means a tax advantage for the export of Rosslyn-made BMW cars to the US compared with the cars manufactured in Germany. BMW manufactured about 69,000 cars in South Africa last year, 40,000 of which were shipped to the US.

THIS WEEK ON CEAUTO.CO.HU

New car market in Russia: 138,670 new cars were sold in August, 2015

<http://ceauto.co.hu/news/new-car-market-in-russia-august-2015-figures-are-released>

New car market in the Czech Republic: 19,478 new cars were registered in August, 2015

<http://ceauto.co.hu/news/new-car-market-in-the-czech-republic-august-2015-figures-are-released>

New car market in Romania: 8,762 new cars were sold in August, 2015

<http://ceauto.co.hu/news/new-car-market-in-romania-august-2015-figures-are-released>

New car market in Slovenia: 4,433 new cars were registered in August, 2015

<http://ceauto.co.hu/news/new-car-market-in-slovenia-august-2015-figures-are-now-available>

New car market in Bulgaria: 1,898 new cars were sold in August, 2015

<http://ceauto.co.hu/news/new-car-market-in-bulgaria-august-2015-figures-are-released>

New car market in Serbia: 1,668 new cars were sold in August, 2015

<http://ceauto.co.hu/news/new-car-market-in-serbia-august-2015-figures-are-released>

New car market in Bosnia-Herzegovina: 483 new cars were registered in August, 2015

<http://ceauto.co.hu/news/new-car-market-in-bosnia-august-2015-figures-are-now-available>

New car market in Macedonia: 293 new cars were sold in August, 2015

<http://ceauto.co.hu/news/new-car-market-in-macedonia-august-2015-figures-are-released>

IMPRINT

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