
INDEX

• International _____	1	• Uzbekistan/Russia _____	8
• Czech Republic _____	2	• News from Middle East and Africa ____	9
• Hungary _____	3	• Iran _____	9
• Poland _____	4	• Morocco _____	10
• Russia _____	5	• Upcoming events _____	11
• Slovakia _____	7	• Imprint _____	11
• Slovenia _____	8		

NEWS

International

Magna to acquire Stadco

Magna International Inc. has signed an agreement to acquire **Stadco Automotive Ltd.**, a Tier 1 Body-In-White supplier based in the United Kingdom. Stadco supplies steel and aluminium stampings as well as complex vehicle assemblies to customers such as for example **Jaguar Land Rover Automotive plc**, **Ford Motor Co.** and **General Motors Co.** Stadco has four manufacturing facilities located in the UK and one in Germany, employing in total approximately 1,400 people. "Stadco's Body-In-White expertise complements our capabilities in the body and chassis market," said **John Farrell**, President of Magna's operating unit **Cosma International**. Financial details of the acquisition are not being disclosed. The transaction is expected to close in the fourth quarter of 2015 and is subject to a number of customary conditions, including regulatory approvals.

Johnson Controls in negotiations to buy EnerSys

Johnson Controls Inc. is in talks to buy battery maker **EnerSys**, the Wall Street Journal has reported, quoting people familiar with the matter. According to the report, the negotiations are at an early stage and terms being discussed of the deal could not be learned.

Czech Republic

Škoda: No plans for car assembly in Vrchlabí

Michael Oeljeklaus, Member of the Board at **Škoda Auto a.s.** responsible for production, has said that the company has no plans to restart car assembly at its plant in Vrchlabí. Škoda assembled cars in Vrchlabí until early 2013, now the plant is manufacturing transmissions. Oeljeklaus made his comments during a trade union conference in Vrchlabí. Oeljeklaus responded to a question as to why the company, which runs additional shifts in the Octavia production at its plant in Mladá Boleslav, does not move a part of the Octavia assembly to Vrchlabí. Oeljeklaus said that the bottleneck in Mladá Boleslav is not the assembly shop but the welding and paint shops. Oeljeklaus also commented on the fact that Škoda is transporting some welded Fabia bodies from Mladá Boleslav to the Kvasiny plant for painting and then back to Mladá Boleslav for assembly. "Just this year we have to carry 36,000 Fabias for painting to Kvasiny in order to handle it. It is expensive, but it prevents us from the need to launch multi-shift systems for the capacities of painting," Oeljeklaus is quoted as saying by *Škodováký odborář*, the newspaper of Škoda's trade unions. There was also a question for what purpose is the company keeping the empty car assembly CA5 in Vrchlabí. Oeljeklaus explained that the hall is currently not needed and its demolition would cost a lot of money.

TPCA reopens recruitment

Kolín-based carmaker **Toyota Peugeot Citroën Automobile Czech s.r.o. (TPCA)** has restored recruitment to blue-collar positions after about one year. Several dozen new employees in blue-collar positions will start work at TPCA this month. "Recruiting takes place exclusively through an employment agency, but already after six months the new workers with a good evaluation have the possibility of becoming permanent employees," said **Pavel Beneš**, manager at TPCA's corporate affairs department. According to Beneš, the current recruitment activity is not a seasonal affair and the company will continue to recruit new employees in similar numbers in the coming months. Currently nearly 3,000 people are working at TPCA. The average monthly salary in blue-collar positions is CZK 30,600 plus some benefits.

Volkswagen scandal might reduce GDP growth

The **Volkswagen AG** emissions scandal might result in a slower GDP growth in the Czech Republic than originally expected. "Given the direct involvement of **Škoda Auto** in the case of manipulation with emission checks it is possible, in the most extreme case, to see the risk of a slightly slower growth by 0.1-0.2 percentage points," Finance Ministry spokeswoman **Kateřina Vaidišová** told *Právo*. In an earlier, forecast, the Finance Ministry has said it saw 2.5 percent GDP growth in 2016.

Hyundai Mobis project is awaiting the observations of the European Commission

After the conclusion of an investment agreement between the Czech Republic and **Hyundai Mobis Co. Ltd.** about a plant for the production of headlamps in Ostrava-Mošnov, the **European Commission** under the notification process required documents regarding the rules and conditions for granting investment incentives in the form of transfer of land at a discounted price. In addition to documents submitted earlier, the Commission asked for more information in August. A statement of the European Commission is expected in late October, **CzechInvest** said. According to CzechInvest, Hyundai Mobis would like to even accelerate

the planned construction of its factory compared to the original plan. "All interested parties are now awaiting the opinion of the European Commission so that the steps leading to the realisation of the investment plan of Hyundai Mobis in Ostrava will be in line with European legislation," CzechInvest said in a statement. "Representatives of CzechInvest and the city are in this regard in close contact with the investor and are addressing possibilities to meet the timing requirements of the investor."

Nexen Tire brakes ground for plant near Žatec

Nexen Tire Corp. has held a ground breaking ceremony at the site of its new plant in the Triangle industrial zone near Žatec, Czech Republic. The company will invest more than €829 million to build the new plant on 650,000 square metres of land in Žatec. Nexen Tire plans to launch production in the new plant in spring 2018 and then to gradually increase its annual production capacity to over 12 million units, based on prevailing market conditions. It is expected that the new plant will create more than 1,000 jobs in the region. "The new plant in the Czech Republic is our second manufacturing facility outside Korea, after the one in Qingdao, China. It will serve as significant momentum for the company to make another leap forward," said Nexen Tire Chairman **Kang Byung-Joong**. "I think it will provide a great opportunity to become a global top player amongst the world's tyre manufacturers by strengthening our presence in the European market." The new plant will produce original equipment (OE) tyres for brands such as for example **Volkswagen, Renault, Škoda** and **Seat**. Nexen Tire has been supplying original equipment tyres for various European-made models, including **Fiat 500X** and **Ducato**, **Renault Twingo** and **Volkswagen Caddy**.

Hungary

Opel: No plans for additional investment in Szentgotthárd

The Austrian daily *Salzburger Nachrichten* has reported that **General Motors Co.** plans to phase out engine production at its **Opel Wien GmbH** engine and transmission plant in Vienna, Austria by 2018. Some engines are to be sourced from the Hungarian plant **Opel Szentgotthárd Kft** in Szentgotthárd instead of Vienna, the report said. Following that there was some speculation, from Hungary, about new investments in order to increase the capacity in Szentgotthárd. According to **András Dános**, Opel's spokesman in Hungary, there are no plans for new investments as there is nothing new in these developments, it was originally planned like this and everything goes as planned. "Opel produces 580,000 engines in Szentgotthárd this year and will raise production to 700,000 units next year. According to plans, this will go parallel with phasing out engine production in Vienna," said Dános. "From 2018 the Austrian plant will produce gearboxes, Szentgotthárd will produce engines, thus two plants with clear operating profiles will be formed. The ramping up of production in Hungary is done according to a previously announced plan just like the hiring of new employees, which goes according to plan," he stated.

Solt leaves Opel Szentgotthárd

Tamás Solt, who previously served as managing director of the **Opel Szentgotthárd Kft** engine plant in Szentgotthárd, Hungary, has been appointed new managing director of the **Opel Wien GmbH** engine and transmission plant located in Vienna effective from the 1st of October. He replaces **Rudi Spiess**, who moves as executive director-manufacturing engineering, **Opel/Vauxhall**, to Rüsselsheim, Germany. Solt's deputy in Szentgotthárd is running the Hungarian plant until the succession is announced.

Does Hungary try to lure Tesla?

Elon Musk has opened the first European **Tesla Motors Inc.** assembly plant in The Netherlands and announced that the company plans to open other plants in the continent as well. This prompted Hungarian journalists to ask the Ministry of Foreign Affairs and Trade whether they contacted Tesla. In its initial response, the Ministry denied it is in the running for a local factory but a day later they retracted their statement and issued another one saying that they have been in touch since March.

BorgWarner opens new factory in Oroszlány

BorgWarner Inc. has inaugurated its new, 25,000 square metre factory where parts for exhaust systems are being manufactured. At full capacity the plant will employ 600-700 people. The facility consists of a 15,000 square metre production space and a 10,000 square metre logistics and services centre.

Festo expands in Budapest

Festo Kft has opened its new production hall at Budapest site. The company invested HUF 4 billion and created 170 new workplaces. The company works for many industries, including the automotive industry.

Poland

AMZ-Kutno unveils new Syrenka car

AMZ-Kutno Sp. z o.o., the Polish bus manufacturer and converter, has officially unveiled the final version of its new **AMZ-Kutno Syrenka S201** car which is expected to be manufactured at the company's plant in Kutno in small volumes. **Iwona Wendel**, Poland's Vice Minister for Infrastructure and Development, joined



the presentation. The design of the Syrenka includes design elements known from the Syrena, a car manufactured in Poland in the past. The costs of the project are PLN 7.44 million, it is supported by the European Union with PLN 4.5 million. The body of the Syrenka is made of composite materials. The car will be powered by a 1.4 litre **Opel** gasoline engine with 90 hp or by an electric engine. The Syrenka car was shown in August 2013. The company has already manufactured several prototype cars. The launch of small volume production is scheduled for 2017. Plans call for the production of 50 Syrenkas in the first year, 100 in the second year and up to 300 units per year in the following years. AMZ-Kutno also showed the Syrenka GT prototype, a sporty version powered by a 4.3 litre engine with 400 hp.

Conteyor to build plant in Jasienica

Conteyor Poland Sp. z o.o., the manufacturer of re-usable packing systems which operates a plant in Czechowice-Dziedzice, will establish a new plant in the **Niskoemisyjna Strefa Ekonomiczna (Low Emission Economic Zone)** in Jasienica, not far from the company's current site. The 9,000 square metre hall is to be finalised in May 2016. The project is expected to create 250 jobs. According to **Arkadiusz Sonik** from the company **CMB Sp. z o.o.**, which will construct the new facility, Conteyor plans an expansion to about 14,000 square metres in the future.

Uniwhheels to produce wheels for Jaguar F-Pace

Uniwhheels AG will equip **Jaguar F-Pace** with alloy wheels as an OEM supplier. Start of Jaguar F-Pace production is planned for 2016. Uniwhheels will deliver 3 models of plain silver alloy wheels in sizes of 18, 19 and 20 inches, as well as 1 model of plain black size 19 inch alloy wheel. All alloy wheels by Uniwhheels for Jaguar F-Pace will be produced in the company's largest plant based in Stalowa Wola, Poland.

Izo-Blok receives supplier award from Johnson Controls

Polish supplier **Izo-Blok S.A.** received the 2015 Automotive Experience Seating Supplier Performance Award in silver from **Johnson Controls Inc.**

Russia

Vedomosti: Russian Renault Captur may be based on B0 platform

Renault S.A. plans to launch production of the **Renault Captur** at its **OA0 Renault Russia** plant in Moscow next year, Vedomosti reports. The information about plans for Captur production in Russia is not new. Ceauto Newsletter reported about the plan already in March 2014. However, according to the report, the Russian Captur is not to be based on the Clio platform as the European version but on the B0 platform. Vedomosti is quoting two unnamed sources at Renault's suppliers. In addition, the Russian-made vehicle is expected to be offered with four-wheel-drive which is not the case of the current model. Renault Captur is not offered in Russia.

Mazda Sollers lost customs privileges

OOO Mazda Sollers Manufacturing Rus (MSMR), the 50:50 joint venture between **Mazda Motor Corp.** and **OA0 Sollers**, has lost customs privileges for the **Mazda6** and **CX-5** models assembled at the plant in Vladivostok, Russian media report. MSMR has originally started with SKD assembly in September 2012 and

would have to switch to CKD assembly after 30 months according to Russian law in order to keep its custom privileges. However, there is no CKD assembly in Vladivostok yet. The agreement on industrial assembly with Mazda and Sollers has been suspended, the Ministry of Economy told Kommersant. It is not clear when the assembly will switch from SKD to CKD. Sollers said that the launch of CKD assembly will not occur even "next year" the newspaper reported.

AvtoVAZ to launch export of Lada Vesta and XRAY in early 2016

OOO AvtoVAZ plans to start export shipments of its new models **Lada Vesta** and **XRAY** in early 2016, **Denis Petrunin**, the company's Vice President responsible for marketing and sales, told TASS on the sidelines of a dealership opening in St. Petersburg. In addition to CIS countries Petrunin mentioned European countries such as for example Italy and Germany as well as Middle East countries as markets for the new models. "Where the Euro 5 (emission standard) is valid, export is scheduled to start immediately at the beginning of 2016. In an area where Euro 6 is valid (the cars) will have to undergo a certification process. There, our product will appear a little later, but also in 2016," Petrunin was quoted as saying by TASS.

Samara Region proposes export subsidies for AvtoVAZ

The **Samara Region** will propose export subsidies to the federal government for cars manufactured at **OOO AvtoVAZ** and exported to Asia and Africa. This was stated after a meeting between **Nikolay Merkushkin**, the Governor of the Samara Region, and representatives of the **Renault-Nissan Alliance** at the **International Investment Forum Sochi-2015**. "Options for increasing exports of cars made by AvtoVAZ, including to developing countries, were considered. The possibility to receive state support for such exports was considered. Proposals to the federal government for subsidies for transport on land and sea of cars to be transported and sold in the countries of Asia and Africa will be formed," a statement published by the PR department of the Samara Region says.

Saurer, Head of Audi Russia leaves the country

Achim Saurer, who served as Head of the **Audi Russia** division at **OOO Volkswagen Group Rus** since the 1st of November 2014, has left Russia. He was appointed to a new position at the **Audi AG** in Germany. Saurer's successor in Russia has not been announced yet.

UAZ expands dealer network

PAO UAZ is expanding its dealer network. 43 new dealer centres were opened since the beginning of this year. UAZ's 175th dealership was inaugurated on the territory of the **Major City** dealer village at the Novorizhskoye shosse in Moscow in the beginning of October. This step marks the start of cooperation between UAZ and Russia's large retail group **Major Auto**. UAZ plans to achieve the number of 190 dealerships in Russia by the end of 2015.

Ford Sollers builds Transit pilots equipped with ERA-GLONASS system

OOO Ford Sollers Holding has launched pilot production of **Ford Transit** vehicles equipped with the **ERA-GLONASS** system and unveiled the first vehicle with this system at the **5th International ERA-GLONASS Congress** in Moscow. Volume production of Transit vehicles in the modification Bus and Van with the ERA-GLONASS system will be launched in January.

Avtotor launches assembly of modernised Kia Quoris

000 Avtotor Holding has started SKD assembly of a modernised version of the **Kia Quoris**. The car is equipped by the 5 litre V8 GDI engine with 424 hp and starts at RUB 2,339,900 in Russia. Avtotor launched assembly of Kia Quoris in January 2013. About 1,500 units of the Quoris were assembled until now.

GM recalls Chevrolet Aveo

000 GM DAT SNG is recalling 70,200 **Chevrolet Aveos** sold between the 22nd of November 2011 and 11th of September 2015. Under extremely cold temperatures (below 40 °C) there may be cracks in the power steering hoses that lead to dripping of the fluid of the hydraulic booster, Russia's Federal Agency on Technical Regulating and Metrology **Rosstandard** said in a statement.

Ford Sollers assembles 5,000th Fiesta

000 Ford Sollers Holding has assembled the 5,000th **Ford Fiesta** at its plant in Naberezhnye Chelny. The milestone car is a Fiesta Sedan.

Slovakia

Brose brakes ground for plant in Prievidza

Brose Fahrzeugteile GmbH & Co. KG has laid the foundation stone for its new plant in Prievidza, Central Slovakia. The facility will be Brose's second plant in Slovakia. The supplier has manufactured window regulators and door systems at its location around 20 kilometres from the Slovak capital of Bratislava for 14 years now. "The first stage of expansion in Prievidza will be the production of electric motors and drives, liftgate systems and window regulators for companies like the **Volkswagen Group, Daimler, BMW, Ford** and **General Motors**," said **Axel Mallener**, General Manager of **Brose Bratislava** and, in the future, **Brose Prievidza**. Construction work is due to start next month, with equipment set to be delivered in June next year, while production should commence in early 2017, Mallener said according to TASR. The company is investing about €50 million in Prievidza in the first stage. "We want to invest €50 million and later another €30 million," explained **Thomas Spangler**, Chief Technology Officer of the Brose Group. Brose plans to create 600 jobs at the new site in the first five years of operation. "Brose sees potential for even more growth in Prievidza, provided the cooperation between our company and the Slovak government - especially the Ministry of Economy, the Trenčín region and the city - continues to be so close and fruitful," emphasised Mallener. Brose is asking the Slovak Republic for investment incentives worth €12.5 million, including subsidies for the acquisition of tangible fixed assets and intangible assets in the amount of €7 million, income tax relief of €3.5 million and contribution for the creation of new jobs amounting to €2 million. "We are in close talks with Brose, it has applied for investment assistance and the question now is about its volume," said Economy Ministry State Secretary **Miroslav Obert** is quoted as saying by TASR. "At the same time it needs to be noted that Brose has been active here since 2001 and it has not requested state support for its investments before."

Slovenia

Cimos may be sold this year

Slovenian supplier **Cimos d.d.** could be sold before the end of this year as the consortium of sellers have received several offers for their 92.3 percent stake, the daily Delo reports.

Uzbekistan/Russia

Uzbek Daewoo cars to be sold under the Ravon brand in Russia

Uzbek car manufacturer **GM Uzbekistan YoAJ**, which is selling its Matiz, Nexia and Gentra models under the **Daewoo** brand in Russia, will change the brand name from Daewoo to **Ravon**. The official presentation of the Ravon brand in Moscow is scheduled for the 8th of October. In addition, the company is expected to unveil its new Ravon Nexia model, which is a slightly modified previous-generation **Chevrolet Aveo**.



NEWS FROM MIDDLE EAST AND AFRICA

Iran

Iranian suppliers face financial problems

As a result of lower vehicle production and financial problems, Iranian vehicle manufactures, have failed to pay their debts to suppliers. Some part makers have had to lay off up to 50 percent of their workforce, **Mohammad Reza Najafimanesh**, a member of the board of directors at **Iranian Auto Parts Manufacturer Association (IAPMA)**, told IRNA. "The plunge in vehicle production figures has taken its toll on the industry. If the debts are not settled anytime soon, several auto parts manufacturing firms will have to shut down," Najafimanesh is quoted as saying. Back in May, **Mohammad Baqer Rejal**, Chairman of the board of directors at IAPMA, said data indicated that vehicle makers are in debt to suppliers to the tune of IRR 45 trillion (\$1.3 billion at free market exchange rate). According to recent reports in Iranian media, a number of suppliers have been refusing to provide the **Iran Khodro Industrial Group** with parts due to the vehicle makers financial problems. **Mohammad Reza Nematzadeh**, Minister of Industries, Mining and Trade, met with members of Majlis Industries Commission to discuss the issue. Parliament Member **Ali Alilou** said the minister had made certain promises to help improve the situation for suppliers and vehicle manufacturers. "Several solutions had been discussed during the meeting. Vehicle makers admitted that they were in debt to auto parts makers and asked the government to provide them with loans to settle their debts," Alilou was quoted as saying by Tasnim News Agency. "Parliamentarians, however, believe that the loans should not directly be granted to the automakers. Instead, the banks will give the money to auto parts makers on behalf of vehicle manufacturers who will then have to pay the amount back to the banks." The MPs also proposed to defer the dates by which the suppliers are expected to pay their taxes and previous loans.

Iran presents revised guidelines for independent vehicle imports

An amendment to the guidelines for independent vehicle imports has been communicated to all Iranian vehicle importers. The guidelines, which had been initially prepared six months ago, were revised after criticism by official vehicle representatives, Donya-e-Eqtasad reports. The guidelines were prepared jointly by **Iran's Vehicle Importers Association**, the **Competition Council** and the **Ministry of Industries, Mining and Trade** to sort out the problems independent importers are facing in terms of providing after-sales services to their customers. The term "independent" refers to any legal or natural persons who do not have the rights to official vehicle representatives inside the country, but are allowed to import vehicles. According to Donya-e-Eqtasad the new regulation says that all legal and natural persons may obtain an official representation from the parent company to provide after-sales services to customers. If that is not possible due to foreign limitations, they will have to negotiate a deal with legal representatives present in the country. Independent importers will have to pay 3 percent of the worth of Cost, Insurance and Freight to the legal representative who will provide after-sales services to customers, the newspaper reports.

Siba Motor to add new FAW truck

Siba Motor Co., the **Bahman Group** subsidiary which assembles and distributes Chinese **FAW** vehicles, will launch assembly of a FAW 6 ton truck in the fourth quarter of the current Iranian year 1394 which ends on the

19th of March 2016, said **Hossein Khezri**, CEO of Siba Motor, on the sidelines of the opening of a dealer and service centre. He provided no more details. "Siba Motor has started its production in the year 1391 with about 500 units and expects to increase it to 2,700 units this year," Khezri is quoted as saying. The company also plans to expand its dealer network. "Now, Siba Motor has 14 dealerships and hopes to increase that number to 21 this (Iranian) year."

Volkswagen representatives visited Iran

Representatives of the **Volkswagen AG** were among the members of a delegation which accompanied **Olaf Lies**, regional minister of economic affairs, labour and transport of the federal state of Lower Saxony, where Volkswagen is headquartered, during his trip to Iran.

Morocco

Renault announces leadership change in Tangier

Renault S.A. named **Jean-François Gal** (45) new Director of the Renault plant in Tangiers effective as of the 1st of November. Gal, who will report to **Jacques Prost**, Managing Director of Groupe Renault Maroc, replaces **Paul Carvalho**, who was appointed Director of Renault's plant in Cléon, France. Jean-François Gal began his career at Renault in 1994 within the Directorate of Logistics. Later he joined the Douai factory where he held various positions including Deputy Head of Department of Painting and Head of the Quality Service. In 2011, he was named Assistant Director, Manufacturing at the Palencia plant in Spain, and President of the Club of Assistant Director Manufacturing of the Renault Group, before being appointed Director Production Lead Times and Inventories at Renault in 2013 and Global Alliance Director for Outbound Logistics and Production Control of the **Renault-Nissan Alliance** in 2014.

Morocco considers boycott of Swedish companies

The Moroccan government said it was considering a boycott of Swedish companies because of Sweden's position on the conflict over Western Sahara. Morocco said Sweden has been campaigning to boycott products from Western Sahara and international companies with a presence there. "We are heading toward a boycott of Swedish companies according the principle of reciprocity after similar campaigns to boycott Moroccan companies" the statement issued after the meeting of Moroccan cabinet said. **Mustapha Khalfi**, communication minister and government spokesman, told Reuters that the government hopes Sweden would review its position.

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/>

IMPRINT

Editor: Peter Homola, Phone: +43 664 124 4870 E-mail: peterhomola@ceauto.at

Chief Correspondent: Csaba Delényi. Phone: +36 30 862 7287. E-mail: dcsaba@ceauto.co.hu

Copy Editor: Timothy Rawson

Layout Editor: Katalin Böröcz

Publisher: Pal Negyesi. Phone: +43 664 883 60 677. E-mail: pnegyesi@ceauto.at
ceauto GmbH, Garnisongasse 7/21, 1090 Wien, Austria

CeAuto Newsletter is published on every Wednesday.

Annual subscription price: €209/US\$280/¥28600/INR17600/RMB¥1,710

Subscription service: Boglarka Nemeth, bnemeth@ceauto.co.hu