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NEWS

International

Austrian ZKW Group to receive new structure

ZKW Group, the lighting systems manufacturer headquartered in Wieselburg, Austria, will standardise its corporate structure. The newly founded **ZKW International Holding GmbH** will take over the operative management of the ZKW Group. The national and international locations and companies of the ZKW Group will be consolidated under this new umbrella. From January 2016 the current **Zizala Lichtsysteme GmbH** will be superseded by **ZKW Lichtsysteme GmbH**. ZKW will now also adapt the structure of the group under company law. The new ZKW International Holding will ensure a clear division of the competence at the companies and locations. A further aim is to strengthen the locations as competence and know-how centres for the operative

implementation and to optimise the processes and transparency. The ZKW Group will continue to be controlled by **Ulrich Mommert**. "The restructuring will have no direct influence on our products, employees or contacts for our customers. Existing contracts with Zizala Lichtsysteme GmbH will be transferred to ZKW Lichtsysteme GmbH. The current employment contracts of our workforce will also be taken over automatically by the new company," said **Hubert Schuhleitner**, CEO of the ZKW Group. In Eastern Europe, ZKW operates plants in Vratimov (Czech Republic) and Krušovce (Slovakia).

Czech Republic

Škoda and Shanghai Volkswagen sign agreements on new models

An agreement to build a further SUV derivative and a memorandum of understanding for the development of a CUV (crossover utility vehicle) in the compact segment was signed between **Škoda Auto a.s.** and its Chinese production partner **Shanghai Volkswagen Automotive Co. Ltd. (SVW)** during a visit of Czech Prime Minister **Bohuslav Sobotka** to SVW's plant in Anting (Shanghai). "Over the next few years, we wish to continue along the road to success in our largest market with the expansion of an attractive SUV campaign," said Škoda's CEO **Bernhard Maier**. "I am therefore delighted that we are definitely going to press ahead with the expansion of the model range in this segment."

Government approves National Action Plan for Clean Mobility

The Czech government has approved the National Action Plan for Clean Mobility, a strategy for the development of low-carbon transport in the country. It includes support of vehicle with alternativ drive train (BEV, PHEV, CNG, LNG, FCEV), infrastructure development and types of aid. However, the ideas presented in the strategy are currently non-binding.

Škoda celebrates 12 millionth vehicle made in Mladá Boleslav

Škoda Auto a.s. has celebrated the production of the 12 millionth vehicle in Mladá Boleslav since 1905. The company was called **Laurin & Klement** at the time it manufactured its first car in 1905. Of the total volume, about 7.8 million vehicles have been made in Mladá Boleslav since the takeover by the **Volkswagen AG** in 1991.

Schukra Berndorf to use new warehouse management system implemented by Aimtec

Schukra Berndorf GmbH, an Austrian branch of the **Leggett & Platt Automotive Group**, will make its production processes of lumbar comfort and massage systems for automotive industry more efficient. It will use the DCIxWMS system for warehouse management implemented by the Czech company **Aimtec a.s.** The main benefit will be more quality and transparent logistics processes, reduction of errors, and connection to the Infor LX enterprise system for relevant production planning. The Warehouse Management System implementation project started in early July. The DCIxWMS system's operational start will take place by the end of November including implementation of the DCIxPortal solution.

Hungary

Apollo Tyres supports tyre engineering course in Miskolc

The University of Miskolc and **Apollo Tyres Hungary Kft** have announced together that a new course aimed preparing tyre engineers will be launched in 2016. Apollo will provide practical lessons at its Gyöngyöshalász plant, while the University will provide the necessary framework and theoretical background.

Kazakhstan/Russia

Azia Avto to add Lada 4x4 Urban

AO Azia Avto will launch SKD assembly of the **Lada 4x4 Urban** at its plant in Ust-Kamenogorsk before the end of this year, Kolyosa.ru reports.

Poland

General Motors launches production of Buick Cascada

General Motors Manufacturing Poland Sp. z o.o. has launched volume production of the **Buick Cascada** convertible destined for the US market at its plant in Gliwice. It is the first model ever manufactured in Gliwice for the USA. The Cascada is made under the **Opel**, **Vauxhall** and **Holden** brands as well. The U.S.-bound Cascada is powered by a 1.6 litre turbocharged 4-cylinder engine with 200 hp, mated to a 6-speed automatic transmission. Volume production of the Opel/Vauxhall Cascada started in Gliwice in February 2013. Output of a Holden-badged version destined for Australia and New Zealand was added in February 2015.



BASF reports first million catalytic converters from Środa Śląska

BASF SE has manufactured the first million catalytic converters at its plant in Środa Śląska which launched production in April 2014. The plant currently operates four production lines. Another five production lines, which are currently in the test mode or in the process of production launch, will start volume production step by step by the second quarter of 2016.

Poland Tokai Okaya Manufacturing reports capital increase

Okaya & Co. Ltd, the only shareholder of the Polish supplier **Poland Tokai Okaya Manufacturing Sp. z o.o.**, has increased the capital of the Polish company by PLN 15 million to almost PLN 35 million. Poland Tokai Okaya Manufacturing is located in Łysomice.

Romania

Assystem to acquire Plast Concept

Assystem S.A., an international Engineering and Innovation Consultancy, has signed a partnership agreement with the French company **Plast Concept S.A.** specialised in plastics engineering. This agreement will in due course lead to the acquisition of 100 percent of Plast Concept's capital in two steps. The agreement involves Assystem's immediate acquisition of 40 percent of Plast Concept's capital. Cross-buying and selling commitments, exercisable on or before the 15th of April 2017, concerning the balance of the capital were signed between Assystem and Plast Concept's shareholder. As a result and pursuant to IFRS conditions, Assystem will globally consolidate Plast Concept as of November 2015. Plast Concept is owned by its founder **Jean-Noël Jourdan** through the holding company **Plast Concept Ingénierie**. It employs a total of 50 people in France and Romania and expects sales of €7 million in 2016. The company works with major automotive OEMs and suppliers. It can also rely on long-standing partners to produce prototypes or operate outside its geographical bases, particularly in Brazil, China and India. The skills base of the company in plastics engineering will now enhance Assystem's mechanical engineering solutions in the automotive segment. Assystem has built its solutions in design, production and after-sales services in five main areas of expertise: electronics for ADAS, infotainment and ECUs, and mechanical engineering for engines and body in white. With Plast Concept, Assystem will set up a centre of excellence in plastics and significantly enhance its leadership in this key sector for the automotive industry. Assystem expects 2015 sales of nearly €150 million in the automotive sector, showing strong growth compared to 2014. The Group has a diversified network of customer interfaces, skills centres and operational centres in France, Germany, Romania and the UK.

Timken to build new bearing plant

The Timken Company announced that it will construct a new bearing plant near Ploiesti, Romania. The facility, which will be the company's second in Romania, will serve global demand for the company's tapered roller bearings in sizes up to 300 mm in diameter. Groundbreaking on the 15,000 square metre site is expected in the first quarter of 2016, with start-up slated for early 2017. Initially, the facility will be operated by 120 associates. The tapered roller bearings to be made at this new facility are critical mechanical components found, for example, in industrial gear drives and off-highway applications that include construction and agricultural equipment, haul trucks and cranes.

TT Electronics completes transfer of 10 production lines from Germany to Romania

TT Electronics plc has completed the transfer of ten production lines from Germany to Romania, with nine of them customer qualified. Transfer and qualification of a further two lines is scheduled for the first half of 2016. The final four lines will remain in Germany, with the transfer of production to Romania expected to be concluded by the end of the first half of 2016. As a result, TT expects the costs of the programme to be around £25 million, approximately £5 million less than originally anticipated. "Our focus on the strategic priorities has resulted in strong progress on new product introduction, new customer wins and in particular the Operational Improvement Plan and cash generation. The transfer of production from Germany to Romania is now expected to be completed a year earlier than anticipated, and we are developing plans to deploy the cash saved in further cost reduction measures," CEO **Richard Tyson** said in a trading update for the period to the end of October 2015.

Russia

Ministry of Industry and Trade on Russian market on 2016

The Ministry of Industry and Trade forecasts that in 2016 the Russian car market will reach about 1.5 million units if the support measures provided by the state will be maintained. If the state will not be able to allocate money for subsidies, sales could fall to 980,000 cars according to the Ministry's calculation. This was stated at a meeting of the advisory council of the State Duma (Parliament) by **Alexander Morozov**, the Deputy Minister of Industry and Trade, TASS reports. Final decisions about subsidies for 2016 are expected to be made only in January.

PCMA to produce on four days per week starting from February

OOO PCMA Rus will introduce a four-day working week at its plant in Kaluga at the beginning of February. According to the current planning, the PCMA plant will work on four days per week from Monday to Thursday between the 1st of February and 31st of July. "In order to implement measures to fulfil the annual plan of production of cars in 2016, to prevent mass layoffs and, consequently, to ensure job retention, PCMA Rus introduces part-time work," the company said in a statement. "Accordingly, the work of employees will be paid in proportion to the time worked."

AvtoVAZ launches sales of Lada Vesta

OA0 AvtoVAZ has launched Russian sales of the **Lada Vesta** at 60 selected dealerships in 25 cities. The company published the Vesta prices on the 24th of November. The Lada Vesta Classic, the cheapest equipment level, starts at RUB 514,000. Vesta Comfort begins at RUB 570,000 while Vesta Luxe starts at RUB 609,000. Currently the Vesta is only available with a 1.6 litre gasoline engine with 106 hp.

AvtoVAZ: First Lada 4x4 5-door version leaves Priora assembly line

OA0 AvtoVAZ has published a short press release which says that the first **Lada 4x4 5-door** version, also known as 2131, left the Priora assembly line. The press release also includes a short video which shows a Lada 4x4 5-door leaving the Priora line. However, Russky Avtomobil insists that the car was not assembled in a

regular way on the assembly line but in handwork. According to Russky Avtomobil, the final solution for the production of Lada 4x4's long version remains unclear. Until now the vehicle was manufactured at AvtoVAZ's OPP special department.

Geely MK Cross to leave Russian market

Russian sales of the **Geely** MK Cross hatchback will be phased out, Izvestiya reports, quoting an unnamed representative of the distribution company. The car is assembled at the **OOO AK Derways** plant from CKD kits sourced from China.

Bilenkin unveils luxury car Vintage

Russian company **Bilenkin Classic Cars**, which was mainly involved in the oldtimer restoration until now, unveiled its first own model **Bilenkin Vintage** at the Dubai motor show. Bilenkin Vintage underlines retro style. The company uses a **BMW 3-Series** as basis. Plans call for a small series production. The car may be priced between €130,000 and €250,000.



Serbia

Leoni inaugurates plant in Doljevac

Leoni AG has inaugurated its plant in Doljevac near Niš. Serbian Prime Minister **Aleksandar Vučić** joined the ceremony. The total investment for the 25,000 square metre facility was about €21 million. The Serbian state supported the project with €10.5 million or €7,000 for every new job created. The plant, which manufactures wiring harnesses for the **Jaguar Land Rover Automotive plc**, launched operations already in 2014.

Slovakia

Getrag to expand production in Kechnec

Getrag Getriebe- und Zahnradfabrik Hermann Hagenmeyer GmbH & Cie KG of Germany plans to expand production of transmissions at its plant in Kechnec, Eastern Slovakia, to 280,000 units per year. In addition to current staff which consists of 771 people, about 100 new jobs are to be created. Plans call for the total investment of €16.7 million. The company asked for state investment incentives worth €3 million.

Slovenia

Renault finalises electric vehicle tests in Slovenia

Renault S.A. has completed a large-scale operation to promote electric transport in Slovenia. In partnership with **CONOT**, the Slovenian centre for the development of low-carbon technologies and member of National Chemical Institute, **Renault ZOE** was tested under real-life driving conditions throughout the country over an eight-month period. The survey found that ZOE could replace around 20 percent of cars on the Slovenian roads. Renault's all-electric model has an NEDC-cycle range of 210 km (with the Q210 power unit) or 240 km (with the R240), which amounts to around 100 km-170 km under real-life driving conditions. This is sufficient to fully meet the everyday needs of 20 percent of Slovenian motorists. During the operation Renault also took part in a two-month project with the Ljubljana section of the **Slovenian Forestry Commission**, responsible for managing the forests. Slovenia has the third largest forest cover of any European country, with woodland accounting for 60 percent of the national territory. Forestry Commission personnel tested Kangoo Z.E. under the toughest conditions, on hilly terrain and poor road surfaces, throughout the winter. The results showed that the Kangoo ZE range (170 km NEDC, or 80-125 km actual) easily met the everyday working needs of the forest guards and confirmed Kangoo Z.E.'s capabilities to handle rough terrain.

Slovenia/Bosnia and Herzegovina

Media: Five potential buyers for Cimos

There are about five non-binding offers from potential buyers of Slovenian supplier **Cimos d.d.**, the Dnevnik daily reports. The highest offer is linked to the Bosnian businessman **Nijaz Hastor**, owner of the **Prevent Group**, the report says. Other potential buyers include Spanish supplier **CIE Automotive S.A.**, French supplier **Maie Automotive**, the private equity firm **Sun Capital Partners Inc.** of US and a fifth, unknown, company.

Turkey

Suppliers ask government to subsidise minimum wage hike

Turkey's clothing and automotive parts manufacturers have called for the government to bear the bulk of the cost of the minimum wage increase that is set to begin in 2016. The **Association of Automotive Parts and Components Manufacturers (TAYSAD)** proposed that minimum wages not be taxed by the state in order to reduce the burden on companies that will soon be required to provide minimum wage earners with a 30 percent pay increase, Today's Zaman reports.

Ukraine

Parliament refuses to cancel additional import duties

Verkhovna Rada of Ukraine, the Ukrainian Parliament, refused to cancel the additional import duties of 5 percent and 10 percent which are valid for various goods. The additional duty for cars is 5 percent. Only 188 deputies voted for the cancelation but a minimum of 266 votes would be required. The additional import tax was introduced last December in order to stabilize the balance of payments. According to the agreements of the Ukrainian government with the IMF and the EU the additional import duty was to be abolished before the end of 2015.

Bogdan Avtotrade launches three Zotye models

Ukrainian **Zotye** importer **TOV Bogdan Avtotrade** has launched sales of three Zotye models – the Z100 small hatchback, Z300 sedan and T600 crossover. Zotye Z100 starts at UAH 150,000, Z300 at UAH 279,000 and T600 at UAH 379,000. The first shipment of 30 Zotye cars already arrived in Ukraine while the second batch of 30 vehicles is to arrive in December. The import agreement between the Ukrainian company and **Zotye Holding Group** was signed for two years with an option to be extended. In addition to the models currently offered the importer also plans to launch the Zotye Z500 sedan, T500 crossover as well as an two-seater electric car in the future. “We are confident that we will be able to achieve sales of 250 to 300 Zotye cars in 2016,” said **Oleg Krivovyaz**, managing director of Bogdan Avtotrade.

Hyundai import company expects more than 50,000 units as total market for 2016

OOO Hyundai Motor Ukraina, the Ukrainian Hyundai importer which belongs to **Korporatsya Bogdan**, expects the country’s total market at 50,000 to 52,000, the company’s new managing director **Igor Gladkovsky** told Autoconsulting. According to Gladkovsky, this year’s total market will be 43,000 to 45,000 units, including 2,300 to 2,500 **Hyundai** vehicles. Gladkovsky’s targets for the Hyundai brand are to achieve 6 percent market share and to return to the top five brands of the market. Gladkovsky, who was recently appointed as new head of Hyundai Motor Ukraina, earlier served as the company’s director for foreign economic relations.

Hyundai: No orders for military vehicles

OOO Hyundai Motor Ukraina is trying to generate orders for vehicles destined for the Ukrainian Army and the National Guard. **Korporatsya Bogdan** and **Hyundai Motor Company** organised a presentation of several **Hyundai** and **Kia** military vehicles in February. The presentation was joined by the country’s President **Petro Poroshenko**. At the same time Bogdan announced plans for the launch of assembly of Hyundai all-wheel-drive trucks which can be use for civil and military purposes at its plant in Cherkassy. However, the company has received no orders for such vehicles yet, Hyundai Motor Ukraina’s managing director **Igor Gladkovsky** told Autoconsulting. According to Gladkovsky, the company is still negotiating with the Ministry of Defence.

Ukraine/Uzbekistan

Ukraine introduces special duty for Uzbek-made cars

The Interdepartmental Commission on International Trade at the Ukrainian government decided to introduce an additional duty of 12.2 percent on new cars originating from Uzbekistan. The additional fee is introduced

for new cars with petrol engines between 1.0 liters and 2.2 liters. Special duty will be applied up to the moment of termination of hostile action on the part of Uzbekistan. The Commission's report says that Uzbekistan has limited legal rights and interests of Ukrainian automotive companies in the domestic market. Such actions were regarded as "discriminatory and unfriendly".

NEWS FROM MIDDLE EAST AND AFRICA

Algeria

Emin Auto to construct assembly plant for light trucks

S.a.r.l. Emin Auto, the Algerian importer of **JAC**, **JMC**, **Changan**, **Hafei** and **SsangYong** vehicles, plans an investment in an assembly plant for light trucks which is to be located in the region Ain Timouchent. "The project is progressing well to be realized soon in the region of Ain Timouchent," **Hamou Ahmed Touhami**, the governor of the region, told the APS news agency. "It will be built on an area of 30 hectares." The initial capacity is expected to be 10,000 vehicles per year.

Egypt

GB Auto reports lower sales of locally assembled cars

GB Auto S.A.E. sold 21,871 locally assembled cars in the first nine months of 2015, down 25.53 percent from like-2014. While the sales of **Hyundai** Verna was down only 9.81 percent to 16,668 units, sales of the **Geely** Emgrand decreased by 57.12 percent to 4,670 cars. The company also sold 534 units of **Chery** Karry, a vehicle which was not assembled in the first nine months of 2014. According to GB Auto, foreign currency shortages impacted the company's ability to import manufacturing components. "Allow me to be very blunt about how this has affected our business. Fundamentally, we had challenges securing stocks of CBU cars during the last couple of months and that is also true for fully imported products like tyres, parts and so forth," GB Auto's CEO **Raouf Ghabbour** explained during a third quarter results conference call. "But more dangerously, we were forced to stop operations on our assembly line for some 20 days during September and October due to a critical shortage of assembly components. In essence, we basically had less production input. Our assembly line is operating again today but like every other company in Egypt, we have limited visibility on the future availability and pricing of foreign exchange. We are doing our best to secure better allocations from the bank and to avoid any shutdowns in the future. We do believe, however, that the chances of any more disruption are becoming increasingly remote."

GB Auto calls for protection of Egyptian assembly industry

GB Auto S.A.E. will continue to be a strong advocate for legislation that will protect the entire Egyptian assembly industry against unfair competition from other markets, the company's CEO **Raouf Ghabbour** said during a conference call with analysts. "This will become an important driver of profitability at our assembly

operations for our overall business performance, a game-changer to say the least. We are increasingly confident that the government of Egypt will move on the so-called Automotive Directive that would give preferential tax breaks to CKD vehicles assembled in Egypt provided we in the industry go further down the value chain and increase the share of local components in manufacturing. The Council of Ministers has studied the proposal and we are optimistic they will soon pass it on to the President to make it law," said Ghabbour. He stressed that the company made substantial investments in its assembly facilities over the years. It also worked hard to forge agreements with domestic suppliers. "If the Automotive Directive comes into force, it will allow us not just to leverage our assembly capacity but that of Egypt's **Aboul Fotouh Automotive**, with whom we recently entered into a tripartite agreement with **Chery International**," explained Ghabbour. "What's more, the entry into force of preferential treatment for Made in Egypt vehicles would allow us to explore new opportunities to move up the value chain. Doing so would allow us not just to serve the domestic market but to target new export peripheries too as we are already doing with **GB Polo**. "

Iran

Irtoya organizes hybrid workshop

The first workshop for hybrid vehicles was held at the training centre of **Irtoya**, the Iranian importer of **Toyota** vehicles.

Iran/Iraq

Iran Khodro launches shipments of Arisun assembly kits to Iraq

The first shipment of **IKCO** Arisun pickup SKD kits has been exported to Iraq. "In response to the growing demand for Arisun pickup from Iraq, Iran Khodro decided to allocate the second production line of Iraq site to Arisun. And now with this shipment, we are determined to open the line officially in the near future." said **Saeed Tafazzoli, Iran Khodro Industrial Group (IKCO)** Deputy CEO for Export. He outlined IKCO's next plans in Iraq saying the vehicle manufacturer has received 5,000 orders for Arisun pickup in the first phase. "We are now hopeful to fulfil our commitment by the end of this Iranian calendar year with constant efforts of our partner there," he noted. Tafazzoli cited the launch of Arisun production line in Iraq as the beginning of IKCO's new project in this specific sector of Iraq industry saying "If all of the demand of our customers in Iraq is met, a large share of pickup sales in Iraq would go to Iran Khodro".

UPCOMING EVENTS

2016

- » **March, 3-13:** GENEVA, SWITZERLAND: 86TH INTERNATIONAL MOTOR SHOW
<http://www.salon-auto.ch/>
- » **March, 15-17:** MOSCOW, RUSSIA: RUSSIAN AUTOMOTIVE FORUM
<http://www.russianautomotive.com/>
- » **March, 15-17:** ST. PETERSBURG, RUSSIA: AUTOPROMO RUSSIA
<http://autopromrussia.ru>
- » **March, 31-3 April:** POZNAN, POLAND: POZNAN MOTOR SHOW
<http://www.motorshow.pl>

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