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NEWS

International

Lear acquires Arada Systems

Lear Corporation announced that it has acquired **Arada Systems**, a Troy, Michigan based automotive technology company that specialises in Vehicle-to-Vehicle and Vehicle-to-Infrastructure (V2X) communications. "Lear is a leader in managing power and distributing signals within a vehicle. The acquisition of Arada Systems, in addition to our recent acquisition of technology from **Autonet Mobile**, adds software and hardware capabilities to our portfolio to securely facilitate wireless communications between the vehicle and external networks, as well as other vehicles," said **Matt Simoncini**, Lear's President and CEO. Arada Systems has developed V2X software and hardware solutions utilising its expertise in 5.9 GHz dedicated short range communications and other wireless communications protocols, notably GPS. It has developed software solutions to ensure highly secure V2X communications and defend against cyber-security attacks. Arada's V2X products include its LocoMate series of roadside units for infrastructure and on-board units for vehicles. The company has 45 employees. Financial terms of the transaction were not disclosed.

Bulgaria

Bulgaria to buy electric cars for civil servants

About BGN 1 million will be spent on electric cars destined for Bulgarian civil servants working in the state and municipal administration, the country's Environmental Minister **Ivelina Vasileva** said in an interview with bTV.

Czech Republic

Škoda to cut more shifts in Mladá Boleslav

Škoda Auto a.s. will cut more shifts at its plant in Mladá Boleslav this month, MF Dnes reports. According to the article, there will be no Fabia, Rapid and Octavia production between the 21st and the 23rd of December, which means a total of nine shifts. In addition, three Fabia/Rapid shifts and one additional Octavia shift are expected to be cut. However, there are already plans for additional Octavia shifts in January. In contrast to Mladá Boleslav, the Kvasiny plant will work until the 23rd of December and there are plans for four additional shifts in January, the report said.

Personnel changes at Tatra Trucks

Martin Bednarz has been named General Manager at **Tatra Trucks a.s.** effective from the 1st of December. He replaces **Petr Karásek**. Bednarz already served as executive director at the company during the last few months. Between 2008 and 2011, Bednarz worked as Production Director at Tatra. **Petr Rusek** remains Chairman of the Board at Tatra Trucks. In addition, **Ron Bonsen** and **Radomír Smolka** were named Members of the Board. Bonsen is former Sales and Marketing Director and Member of the Board at **DAF Trucks N.V.** Smolka serves as the company's technical director and head of development.

Tatra Trucks to double production by 2020

Tatra Trucks a.s. said it plans to double production of trucks by 2020 compared to the volumes of 2015. The company manufactured 722 trucks in the first ten months of this year, up 5.25 percent from like-2014. For 2016, the company announced its plan to sell 1,300 vehicles. Plans call for annual investments of more than CZK 300 million in the upcoming years,

Hungary

SMP lays cornerstone for new plant

Samvardhana Motherson Peguform (SMP), a subsidiary of the Indian **Samvardhana Motherson Group** which has received new business from **Daimler AG**, has laid the cornerstone of its new plant in Kecskemét, 500 metres from the **Mercedes-Benz Manufacturing Hungary Kft** plant. Realised with an investment of HUF 30 billion, the new facility will produce bumpers and grills for both **Mercedes-Benz** and **Audi** cars. The plant will be operational in 2017 with mass production set to commence in 2018.

Audi manufactures 3 millionth six-cylinder TFSI engine

Audi Hungaria Motor Kft. has celebrated production of the 3 millionth six-cylinder TFSI engine at its plant in Győr. Production of six-cylinder engines started at Audi Hungaria Motor in 1997.

Hungary/Estonia/Lithuania

Nissan reports more than 550 electric taxis in Europe

Nissan Motor Co. Ltd. says there are more than 550 electric taxis now on the road in Europe. During 2015 alone, over 100 electric vehicles were delivered to taxi companies across Europe, making **Nissan** the best-selling manufacturer of 100 percent electric taxis. A large order is reported from Hungary. **Green Lite Taxi Kft.**, based in Budapest, has purchased 65 Nissan Leafs in a bid to become Hungary's largest zero emission fleet. To power its pioneering franchise, the company has installed seven quick chargers within the city. Nissan's electric taxis are also on the roads of Estonia where a total of 74 electric Nissan taxis are registered. In Estonia, it has been reported that a Nissan Leaf owned by taxi company **Elektritakso** has clocked up over 218,000 kilometres on its original battery pack. In Lithuania, Nissan is poised to deliver its first eight 100 percent electric taxis to the **Smart Taxi Company**, based in the country's capital, Vilnius, for late 2015. The Netherlands is topping Nissan's e-taxi league table in Europe with 194 units of the Leaf and e-NV200 models. It is followed by the UK (134), Estonia (74), Hungary (68) and Germany (30).

Kazakhstan

Astana Motors launches assembly of FAW commercial vehicles

Kazakh company **KMK Astana Motors** has launched volume assembly of **FAW** trucks. This is a result of a memorandum signed with Chinese vehicle manufacturer **China FAW Group** in March. Plans call for the assembly of a wide range of vehicles with 25 to 40 tons including mixer trucks. The first vehicles assembled are 6x4 tipper trucks. The trucks are built at **TOO Hyundai Trans Auto**, Astana Motors' subsidiary which is assembling **Hyundai** commercial vehicles for several years. According to **Stepan Ichenets**, director of Hyundai Auto Trans, plans call for the assembly of 25 FAW vehicles this year, 180 in 2016 and 300 in 2017. That means that the plans are much more modest compared to spring. In March, Astana Motors said it expects to assemble 300 vehicles this year, 600 in 2016 and 1,000 in 2017. The company may export Kazakh-assembled FAW vehicles. **Anton Afonin**, Executive Director of Astana Motors, confirms earlier plans to expand current assembly facilities by 2,000 square metres in order to accommodate welding and painting operations in 2017 and by another 2,000 square metres destined for the assembly of city and intercity buses by 2018.

Kazakhstan/Russia

Datsun starts in Kazakhstan

Nissan Motor Co. Ltd. will launch sales of Russian-made **Datsun** mi-DO hatchbacks and on-DO sedans in Kazakhstan. The company plans to publish more details on the 15th of December. A dealership, **Datsun Astana Motors** will also be opened in Almaty this month.

Poland

ZF TRW opens technical centre in Bielsko-Biała

ZF TRW Automotive Holdings Corp. has officially opened its new technical centre for steering systems in Bielsko-Biała. The 3,600 square metre centre is an expansion of the existing production plant with 16,500 square metres. The activities of the technical centre will include development of software as well as tests and process validation for EPS systems. According to **Maciej Gwóźdź**, ZF TRW's European vice president steering, 60 new jobs will be created in Bielsko-Biała in 2016.

TRI wins supplier award from Honda UK

TRI (Poland) Sp. z o.o. has won a Supplier Award 2015 from **Honda of the UK Manufacturing Ltd. (HUM)** in the Quality category. There are supplier awards in five categories with one company awarded in each category. The Polish TRI subsidiary received HUM's quality award for the second time.

PGE to construct two hydrogen filling station

PGE Polska Grupa Energetyczna has announced a plan to construct two hydrogen filling stations located in Warsaw and Poznań.

Romania

Renault to expand design studio in Bucharest

Renault S.A. will expand its **Renault Design Central Europe** design studio in the next three years, the studio's new director **Jean-Philippe Salar** told local media without providing more details. Currently the studio employs about 30 people from Romania, Bulgaria, France and Ukraine. Salar, who previously served as Design Team Chief at **Renault Samsung Motors** in South Korea, took over as new head of the Romanian studio in September.

Russia

AvtoVAZ expects Russian sales of 280,000 Lada cars this year

ОАО AvtoVAZ expects to sell about 280,000 **Lada** cars on Russia this year, **Denis Petrunin**, the company's Vice President for marketing, said on the sidelines of the **Avtoretail Rossiya 2015** forum. Last year AvtoVAZ sold some 387,300 Ladas in Russia.

Avtodiesel to launch Euro 5 engines for Mercedes-Benz Sprinter Classic

Avtodiesel, the Yaroslavl-based engine plant which belongs the **Gruppa GAZ**, is finalising preparations for the volume production of Euro 5 engines destined for the **Mercedes-Benz Sprinter Classic** which is assembled at **GAZ's** plant in Nizhny Novgorod. The engine will be available with 109 hp and 136 hp.

Ford Sollers adds Transit with medium wheelbase at Elabuga

OOO Ford Sollers Holding has launched CKD assembly of the **Ford Transit** with medium wheel base and medium roof at its plant in Elabuga.

Atsumitec Toyota Tsusho launches test production

Test production is underway at the new plant of **OOO Atsumitec Toyota Tsusho Rus** in the Special Economic Zone in Togliatti. The company will manufacture AT/MT shifter systems for locally-built vehicles. Main customers will be the plants of **OOO AvtoVAZ** in Togliatti and Izhevsk as well as the **Gruppa GAZ** factory in Nizhny Novgorod.

New automotive cluster established in St. Petersburg

An automotive cluster called **Avtoprom Severo-Zapad** (or **Autoindustry North-West** in English) for St. Petersburg and the Leningrad Region has been established at a meeting of representatives of vehicle manufacturers, suppliers, associations, education institutions and financial institutions in St. Petersburg. **Dmitry Mikhailov**, Vice-President and General Director of **OOO Nissan Manufacturing Rus**, has been elected as Chairman of the Board of the cluster, while **Maya Sviridova**, the plenipotentiary representative of the supplier association **NAPAK** in the North-West federal district has been elected as a coordinator of the cluster.

Lada Sport builds 5,000th Granta Sport

Lada Sport, a subsidiary of **OOO AvtoVAZ**, has celebrated the production of the 5,000th **Lada Granta Sport**. The company also builds the Kalina Sport.

Cadillac has ambitious plans for Russia

General Motors Co. plans to achieve annual sales of 10,000 **Cadillac** vehicles and to have 17 dealers in Russia in the medium term, **Johann de Nysschen**, President of Cadillac, said in an interview with Vedomosti. 804 Cadillacs were sold in Russia this year through October.

Infiniti opens new dealership in Moscow

Infiniti has opened a new dealership in Moscow. The new facility **Infiniti Genser Altufyevo** is the 6th Infiniti dealership in Moscow and the 23rd in Russia.

Geely may reduce dealer network

Russian **Geely** importer **OOO Geely Motors** plans to reduce its dealer network according to an article published by Izvestia. The company has notified about 30 dealers that it will stop new car supply to them, the newspaper says, quoting unnamed sources. The affected dealers will continue as service partners. Geely's Russian network currently consists of 94 dealerships.

Russia/Belarus/Kazakhstan

First Lada Vesta owners

More than 23,000 people visited 60 **Lada** dealerships in 25 cities of Russia, Belarus and Kazakhstan for the Vesta Night, the launch of sales of the new Lada Vesta. About 1,000 people became Vesta owner during the event. The Lada dealers also collected more than 2,000 confirmed pre-orders for the Vesta during the first 24 hours. These pre-orders will be fulfilled before the New Year.

Slovakia

Bentley launches Bentayga production

Bentley Motors Ltd. has launched volume production of the **Bentley Bentayga** SUV at its plant in Crewe, U.K. Welded bodies for the Bentayga are sourced from the **Volkswagen Slovakia a.s.** factory in Bratislava.

Slovenia

Hidria sells Tomos

Slovenian supplier **Hidria d.o.o.** has sold its subsidiary **Tomos Dvokolesa d.o.o.**, a manufacturer of mopeds, to the Slovenian company **MPO Kabel d.o.o.** Production of Tomos is to be continued in Koper.

Turkey

Production of Hyundai i20 Active commences

On the 1st of December, serial production of the new Active version of the **Hyundai i20** has been launched at the **Hyundai Assan Otomotiv San ve Tic. A.Ş.** plant in Izmit. Hyundai now forecasts a total production of 226,000 units at the plant this year. The factory also produces the i10, and both the three- and five-door version of the i20.

FCA: More details on engines for Fiat Tipo

Fiat Chrysler Automobiles N.V. has published more details about engines and transmissions installed in the Turkish-made **Fiat Tipo**. In the EMEA region, the line-up will include four engine versions (the 1.4 16v Fire 95 hp and the 1.6 1.6v E.torQ 110 hp petrol engines and the 1.3 MultiJet II 95 hp and 1.6 MultiJet II 120 hp turbo diesels). Regarding transmissions, FCA will offer five- or six-speed manual or six-speed automatic, the latter on 1.6 E.torQ only.

Ukraine

PSA expects 55,000 units as total market for 2016

Loïc Sibrac, managing director of **PSA's** Ukrainian import subsidiary **Peugeot Citroën Ukraine**, expects the country's total market at about 55,000 units, he told Autoconsulting. According to Sibrac, this year's total market will be about 47,000 units. "We are positive about the next year. If the situation in the country is

stable, people will start to spend money on new cars. People aspire to a normal life and 3-4 months of stability are enough in order that optimism will come up. Ukrainians are by nature optimists," said Sibrac. According to Sibrac, PSA's market share was 4.1 percent in the first ten months of 2015 and the target for 2016 is to achieve 4.5 percent market share.

KrASZ declared bankrupt

OOO PO Kremenchugsky Avtosobrochny Zavod (KrASZ), a SKD assembly plant located in Kremenchug which belongs to the **AIS Group**, has been declared bankrupt by the Economic Court of Poltava and the liquidation procedure of the company started. Car assembly at KrASZ was phased out in 2014.

NEWS FROM MIDDLE EAST AND AFRICA

Algeria

New assembly plant may be constructed in El Madher

A new vehicle assembly plant is expected to be erected in El Madher city which is located in the Batna region. The project is the result of a partnership between an Algerian investor and a South Korean company, Algerian media report. **Mohamed Salmani**, the governor of the region, explained his "great satisfaction" with the project on the occasion of a working visit to El Madher.

Iran

FCA in negotiations on production in Iran

An Iranian vehicle manufacturer is in talks with **Fiat Chrysler Automobiles N.V.** in order to produce vehicles, **Mohammad Reza Nematzadeh**, Iran's Minister of Industry, Mine and Trade, said. "Fiat has announced its readiness for cooperation with the Iranian automaker and Iran has welcomed it" Nematzadeh said in Tehran on the sidelines of a joint trade forum with Italian companies.

Iranian car production down 37.6 percent last month

Iranian manufacturers produced 50,808 passenger cars during the 8th Iranian calendar month of Aban (23rd of October to 21st of November), down 37.6 percent compared to the same time period in previous year.

Iran/Tajikistan

Iran Khodro exhibits vehicles in Tajikistan

Iran Khodro Industrial Group (IKCO) has presented its vehicles at the Iran Expo 2015 show in Tajikistan's capital Dushanbe. IKCO's stand included Dena, Runna and Soren cars as well as the Arisun pickup. IKCO's commercial vehicle arm **Iran Khodro Diesel** showed a **Foton** pickup and an Arian minibus.

INTERVIEW

with Yann Vincent, Executive Vice President Industry and Supply Chain, PSA Peugeot Citroën

“Something that is most impressive for me is the quality of the Iranian supplier network”

PSA Peugeot Citroën is in the final stage of negotiations about new cooperative projects with Iran’s largest vehicle manufacturers Iran Khodro Industrial Group and Saipa Auto Group. The French company is also adapting its strategy for Russia. In North Africa, PSA is preparing a CKD plant in Morocco and negotiation on an assembly plant in Algeria.



Mr. Vincent, PSA is now in intensive negotiations with Iranian vehicle manufacturers. Can you comment on the Iran project?

The Iranian market is a very interesting one. The image of the Peugeot brand is good, they are selling a lot of Peugeot cars. We are interested in cooperation with Iran.

Have you visited Iran recently?

Yes.

How do you see the Iranian production equipment, is it usable? And what about the suppliers?

Clearly it is usable, clearly they know how to produce cars. But something that is most impressive for me is the quality of the Iranian supplier network. I have visited outstanding suppliers with worldwide level. There were Iranian suppliers which had joint ventures with Western suppliers but they have developed since the start of the embargo. There are really some very good suppliers. So the manufacturing potential is there.

In the previous decade, some Iranian suppliers were even approved by PSA for the European plants but the cooperation was not been developed because of the political situation. Do you theoretically see today possibilities for Iranian suppliers to supply parts to PSA’s European plants?

That could be considered.

Just theoretically, speaking about the geography, the transport pathways.

In this case I am thinking about Turkey. Turkey, thanks to the devaluation of the Turkish currency is getting more and more competitive. I would tend to say that Turkey would better serve our needs than Iran. But I mean it is really theoretical.

There are voices in Iran which are criticising the fact that the Peugeot models manufactured in country are old-generation models. Do you plan to change the situation and bring new models to Iran?

Yes, we want to bring new models to Iran. I mean existing models, but new ones. They are interested in the technology, we are interested in volumes. That could be a win win possibility.

Let's go to Russia. The volume at the PCMA Rus plant in Kaluga, a joint venture with Mitsubishi, are much smaller than the capacity. But in contrast to General Motors your company is staying in Russia. What is the strategy to have again more production volumes in Kaluga?

We believe that the Russian market will rebound at some point of time, but for sure, and we want to stay in Russia. So we are staying in Russia, we don't want to exit from Russia, as GM did. That's one. Second, we know that in the meantime, till the market rebounds, we will suffer, and we cutting the costs as much as possible. We cannot say we are 100 percent successful with cutting the costs, but nevertheless we are moving close to the break-even point. We have not reached it yet, but we are not far from that. Third, we're looking from the product point of view what would be the best product to launch in Russia in the future. And we came to the conclusion that relying on light commercial vehicles would likely be the best option. Fourth, we are really looking very carefully at the integration possibilities. And not only for cars to be produced in Russia. Obviously, we have to increase our localisation which so far too low. But, as well, in order to export to other countries. Because the rouble is very weak, which is a bad news if you buy from European countries but which could be good news if you start exporting. That is something we are considering for any type of parts, spare parts, but also parts destined for the assembly of existing models in Western Europe.

So purchasing parts for your Western plants from Russia ...

That is what we are considering.

And what about the export of complete vehicles?

We are considering vehicle exports to some countries, not to Western Europe.

But outside of the CIS countries?

Yes.

Jean-Christophe Marchal, Managing Director of PCMA Rus, recently said that the local content of cars made in Kaluga is currently about 35 percent and is to be expanded to 50 percent soon. How do you see the further localisation in Russia?

The strategy with the local suppliers was clearly to define our future product plan and then discuss with them in order to switch on the existing products to the local supply. Because if they don't have a vision of future volumes they will always say tell us 'the volumes are too small so we are not interested'. But now we do have a product plan strategy, we can communicate it with the suppliers, so that's the reason why we do believe that moving from 35 to 50 percent local content is something which is achievable.

PSA is preparing a new plant in Morocco, can you mention some details?

It will be a full-fledged car plant.

Including a press shop?

No, there will be no press shop. At least at the beginning we don't intend to have a press shop, but we will have welding shop, painting shop and assembly shop. The purpose of this factory is to produce cars which are going to be sold in Africa, Middle East. It is a way to grow in this part of the world. That is the reason for the set up of this plant which, indeed, at the beginning will be a 15 cars per hour factory, which is not huge.

But, speaking about the markets for the Moroccan plant, you also could export to Europe.

That is not our primary goal. Our primary goal and the reasons why we have decided this step is clearly to add a low-cost production facility in a country in a region where we believe we could sell more provided we have competitive cars from a price point of view. And adding this facility in Morocco means that we believe that we will be able to produce a low-cost car which fits the needs of those markets.

Can you already mention the models to be assembled in Morocco?

Not yet.

PSA also said the plant will include engine assembly...

Yes, there will be final assembly of engines.

What is your strategy regarding purchasing of parts from low-cost countries such as Eastern Europe or North Africa?

The first goal is to have the lowest total delivery costs of the part. Having said that, we are going to produce in Morocco, we are producing vehicles in Spain in Vigo and in Portugal in Mangualde, so from the geographical point of view we are convinced that there is a significant room for supply from these countries. So if there are suppliers in Morocco, it will be fine, if they are competitive, it will be fine, for supplying our Moroccan facility but as well the Spanish one and the Portuguese one. Basically, we have two circles of strategy. There is the Eastern part, as we obviously will be better off to supply the Trnava plant in Slovakia from Eastern Europe, and let say Spain, Portugal, Morocco part plants in this region.

So you plan to develop the suppliers in Morocco?

We believe that thanks to Renault production in Tangier, thanks to our future plant, there are possibilities for suppliers to produce in Morocco. We are discussing with our suppliers in order to bring them to Morocco on top of the existing ones.

PSA is also negotiating about an assembly plant in Algeria. Can you comment on that?

We are discussing with them but we have not taken any decision. If we want to be stronger in Algeria it might be interesting to have a SKD, CKD, something like that facility. However, regardless of the fact that we are not producing in Algeria, we are number one for the time being in the market although we don't have a facility there.

But the Algerian government is asking vehicle manufacturers to have some production activities in the country.

We are really looking at those questions on a very pragmatic basis. If it makes more sense from the economic point of view to produce in Algeria, considering incentives and so on, we will decide to go there. If it is not, we will keep on shipping the cars to Algeria by ship.

Interview conducted by Peter Homola

THIS WEEK ON CEAUTO.CO.HU

New car market in Russia: 129,958 new cars were sold in October, 2015

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

New car market in the Czech Republic: 21,464 new light vehicles were registered in October, 2015

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

New car market in Romania: 11,460 new cars and LCVs were sold in October, 2015

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

New car market in the Slovenia: 6,210 new light vehicles were registered in October, 2015

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

New car market in Bulgaria: 2,294 new cars were sold in October, 2015

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

New car market in Serbia: 2,050 new cars were sold in October, 2015

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

New car market in the Bosnia-Herzegovina: 686 new light vehicles were registered in October, 2015

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

IMPRINT

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