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NEWS

Czech Republic

Volkswagen confirms Welsch as Board Member for Development at Volkswagen Passenger Cars brand

As already reported by Ceauto some weeks ago, **Frank Welsch**, who used to serve as Member of the Board of Management responsible for Development at **Škoda Auto a.s.**, has been named Board Member for Development of the **Volkswagen Passenger Cars** brand. In his new position Welsch succeeds **Heinz-Jakob Neußer**, who is „available to take on other responsibilities in the company“, said the **Volkswagen AG**. Welsch's successor at **Škoda** has not been announced yet.

Škoda installs new lightweight robot in Vrchlabí plant

An innovative lightweight robot is now aiding employees in the 'gear actuator piston insertion' manufacturing step at the **Škoda Auto a.s.** transmission plant in Vrchlabí. This is the first time that Škoda's production employees will be working alongside robots on high-precision tasks. Inserting the gear actuator piston, which

is now supported by the new robot, is one of the most delicate processes in transmission manufacturing. Employees in Vrchlabí can now perform this production step more precisely and safely using the **Kuka** lightweight robot LBR iiwa (Intelligent Industrial Work Assistant). Thanks to its technical dexterity and low weight of only 23.9 kilograms, the LBR is both precise and flexible. The robot inserts the gear actuator pistons with the highest precision thanks to highly sensitive sensors on each of its seven axes. The sensors register any possible contact with an employee, thus always ensuring maximum safety. "The new lightweight robot is a useful and helpful innovation in our transmission production at Vrchlabí," said **Michael Oeljeklaus**, Škoda's Board Member for Production. "The robot makes what was once a complicated production step for our employees significantly easier and safer."

Hoberg & Driesch acquires majority of MUT

German company **Hoberg & Driesch Röhrenhandel GmbH & Co KG (H&D)** has acquired the majority shareholding of the Czech company **MUT Tubes, s.r.o. (MUTT)**. H&D also took over **MUT Automotive, s.r.o. (MUTA)**, MUTT's 100 percent subsidiary. "This transaction allows MUTT further expansion in Central & Eastern Europe and MUTA a stronger position on the European market," the Czech company said in a statement. Hoberg & Driesch is a large steel tube trader. The Czech company said it will also continue cooperation with the **Buhlmann Group**.

Czech Republic/Poland

Škoda confirms cancellation of next-generation Roomster

Škoda Auto a.s. has confirmed it has cancelled the second-generation **Škoda** Roomster project. The new Roomster was based on the Polish-made **VW Caddy**. It was to be manufactured at the **Volkswagen Poznań Sp. z o.o.** plant in Poznań, Poland, where some pilot vehicles already have been manufactured.

Hungary

Bosch completes Maklár expansion project

Robert Bosch Automotive Steering Kft has completed the final phase of its three-stage development plan at its Maklár component plant. Realised with a total investment of HUF 36 billion which was supported by subsidies totalling HUF 2.7 billion from the EU and the Hungarian government there were 130 new jobs created. Altogether Bosch employs over 800 people at its Eger and Maklár facilities where steering systems are assembled for **BMW, Volkswagen, Audi** and **Jaguar**.

Michelin to expand logistics base in Vác

Michelin said that it is expanding its logistics base in Vác near Budapest. With an investment of €7 million, the company will turn the base into one of its European distribution centres, **Róbert Szabó**, head of the Hungarian unit, told the news agency MTI late yesterday. The expansion, which includes the construction of a new office and increases the size of the base from 20,000 to 30,000 square metres, is expected to be completed in 2016, Szabó said. The expanded centre will manage tyre shipments to 15 countries in Central and Southern Europe as of the end of 2016.

Béla Barényi is honoured in Kecskemét

The city of Kecskemét has named a street after Hungarian-born engineer and automotive safety pioneer, **Béla Barényi**. The street leads from the **Mercedes-Benz Manufacturing Hungary Kft** plant to the new **Samvardhana Motherson Peguform (SMP)** plant.

Hungary/Turkey

Otokoç takes over Budget car rental in Hungary

Otokoç Otomotiv, a member of Turkey's **Koç Holding**, has taken over the Hungarian operations of Budget rental car. Budget has been present in Hungary since 1990. Otokoç Otomotiv has been the partner of Avis and Budget in Turkey for ten years.

Latvia

Schaeffler acquires Naco Technologies

Schaeffler AG has acquired Latvian company **SIA Naco Technologies** in Riga. Naco Technologies has unique expertise in the development of new coating systems. The start-up company Naco Technologies was founded in Latvia's capital in 2010 with the support of "**Commercialization Reactor Riga**", an agency and marketing platform for science-based young businesses. Companies involved as investors and developers were **Imprimatur Capital**, **ZGI Capital** and **Proks Capital**. As just one example, the company has developed what is currently the fastest process for physical vapour deposition (PVD). This technology will complement and further optimise Schaeffler's high-tech vacuum facilities for PVD and plasma-based PACVD processes that are used in high-volume production. Naco currently has six employees. "By acquiring Naco, we have secured the experience and expertise of a scientist highly renowned in the scientific community, five highly-trained specialists and an innovative prototype PVD facility," said **Prof. Peter Gutzmer**, Schaeffler's Deputy CEO and CTO. "Naco Technologies has been instrumental in promoting the development for particularly environmentally friendly and innovative PVD processes. With Professor **Valery Mitin**, the company has an internationally renowned expert at its helm. Going forward, we will be able to benefit exclusively from his experience and his team," explained **Dr. Yashar Musayev**, Senior Vice President of the Competence Center Surface Technology at Schaeffler. Prof. Mitin is the co-founder of Naco Technologies and has more than 40 years of experience in research, development and production in the nano industry from his work at the **Moscow High Technology Science Research Institute of Non-organic Materials**. He was the world's first designer of a PVD system, according to Schaeffler.

Poland

New Korean investments in Poland

Two Korean-owned companies are planning new investments in the **Wałbrzych Special Economic Zone Invest-Park** in the subzone Żarów. **KCP Sp. z o.o.** will produce aluminium castings. It will invest more than PLN 33.9 million and create 40 new jobs. The company **ILP Sp. z o.o.** will manufacture metal parts for steering systems and cooperate with **Mando Corp.** Plans call for the investment of more than PLN 23.9 million and creation of 32 new jobs.

Romania

Messring constructed new sled test facility for Takata

Messring Systembau GmbH of Germany constructed two new sled test facilities for **Takata Corporation** in Romania and Brazil. Takata commissioned the two compact impact simulators (CIS), including extensive data acquisition systems and lighting technology. With the CIS, vehicle components such as seat belts and airbags can be tested with high precision and reproducible results. At Takata in Romania, the CIS is to be used for thousands of standardised tests (COP tests) a year.

Russia

AvtoVAZ denies plans for production stop on the 18th of December

ОАО AvtoVAZ has denied a report published by the business daily Vedomosti which said that AvtoVAZ's production in Togliatti would be suspended from the 18th of December to the 18th of January, while its Izhevsk plant could be stopped between the 28th of December and 18th of January. AvtoVAZ said both factories would suspend production for one extra week in January in addition to 10 days of public holidays. That means the plants in Togliatti and Izhevsk will not produce for a total of 19 days from the 31st of December through the 18th of January.

Ford Sollers considers export to markets outside of CIS

ООО Ford Sollers Holding is considering expanding exports, the company's President and CEO **Mark Ovenden** told Reuters. "Export is something we're looking at," Ovenden is quoted as saying. "I'd like to look at it beyond a few thousand (vehicles) ... and see whether there is a more strategic export opportunity for us." Ford Sollers is currently exporting vehicles to other CIS countries such as Kazakhstan in small volumes. However, Ovenden said the company could also target markets in Eastern Europe and beyond. The company is considering all of its model types for exports as well as engines. "The challenge everyone will face is that when domestic demand is volatile, how do you continue to fill the capacity?," Ovenden said in an interview with Reuters. "That's where I think you need to develop the export capability." According to him, Russia-based vehicle makers would need continued government support in order to realise these export plans. This could take the form of freight support or duty repayments for imported parts that have become more expensive due to the weaker rouble.

Ford Sollers expects next year's Russian market to remain flat

Mark Ovenden, President and CEO of **ООО Ford Sollers Holding**, told Reuters he expected total Russian car sales this year of around 1.5 to 1.6 million units and the same amount in 2016.

Seat frames for Daewon to be manufactured in Cheboksary

ОАО Cheboksarsky Zavod Avtomokomponentov (formerly known as **Cheboksarsky Avtoremontny Zavod**), a company located in Cheboksary, the capital of the Republic of Chuvashia, will manufacture seat frames for the South Korean company **Daewon Kang Up Co. Ltd.** That was stated after a meeting between **Vladimir**

Avrelkin, Minister of Economic Development, Industry and Trade of Chuvashia, with representatives of Daewon and Cheboksarsky Zavod Avtokomponentov. The seat frames will be shipped to Daewon's plant in Izhevsk for the production of seats for **Lada Vesta**.

Hyundai and Kia achieve highest market share ever in November

Hyundai Motor Co. and **Kia Motors Corporation** saw their combined market share in Russia hit an all-time monthly high in November. The two brands took up a combined 22.2 percent of the total car sales in November. This was higher than the previous monthly record of 22.1 percent achieved in September. In November, Hyundai's sales in Russia dropped 7 percent to 15,101 units with a market share of 11.5 percent, while Kia sold 14,125 units, down 32 percent from like-2014, and achieved 10.7 percent market share. The cumulative market share for the two carmakers is 20.4 percent for the first eleven months of this year.

Chery celebrates 10 years in Russia

Chinese brand **Chery** has celebrated 10 years since the launch on the Russian market. More than 150,000 Chery cars were sold through the official dealer network in that time. Currently, the network consists of more than 100 dealerships in 76 cities. Chery sold 4,580 cars this year through November, down 70 percent from like-2014.

Zil changes name

ОАО Зил, the struggling Moscow-based vehicle manufacturer, has changed its name to **PAO Zil**. The short version remains **АМО Зил**.

Serbia

Lear: Agreements on Novi Sad plant may be finalized soon

The agreements connected to the establishment of a **Lear Corporation** plant in Novi Sad are expected to be finalised by the end of this year, Novosti reports. **Manpower**, which is responsible for the recruiting, told Novosti that about 2,000 people have declared their interest to work for Lear and 800 of them already passed the required tests. The first workers are expected to be recruited in February. Start of the construction work for Lear's new plant is scheduled for the first quarter of 2016. Initially, Lear plans to launch production in existing premises.

Slovakia

Reimold leaves Volkswagen Slovakia

Albrecht Reimold (54), who currently serves as Chairman of the Executive Board at **Volkswagen Slovakia a.s.**, was appointed new Member of the Executive Board for Production and Logistics at **Dr. Ing. h.c. F. Porsche AG** effective as of the 1st of February 2016. In this role Reimold succeeds **Dr. Oliver Blume**, who since October has been Chairman of the Porsche Executive Board. Reimold's successor in Slovakia has not been appointed yet.

Kia to reach new production record this year

Kia Motors Slovakia s.r.o. will produce more than 330,000 cars this year. This is a new record. Last year the company produced 323,720 vehicles. The company will reach a record volume despite the market crisis in Russia, its main export market during the last years. In 2014, Russia was the largest export market for Slovak-made **Kia** cars with about 18 percent of the total production, followed by the United Kingdom (13 percent). This year Russia and the UK were the largest export markets with about 14 percent of the total production volume each.

PCA Slovakia to achieve annual production of more than 300,000 this year for the first time

PCA Slovakia s.r.o. will produce about 302,000 cars this year, up 18.4 percent from 2014, the company's General Manager **Rémi Girardon** said at a media event at the factory in Trnava. The plant, which manufactured 255,176 cars in 2014, will exceed the 300,000 mark for the first time. About 283,000 cars were produced in the first eleven months of this year, up 17.9 percent from like-2014. Girardon explained that he expects production of about 290,000 cars in 2016. At the same time he confirmed earlier plans to achieve 345,000 units in 2017 and 360,000 in 2018. Currently the plant builds **Peugeot 208** and **Citroën C3 Picasso** cars. It will launch production of a new Citroën in the B Mainstream segment in 2016.

PSA to significantly increase regional content at Slovak plant

PCA Slovakia s.r.o. will significantly increase the regional content, that means the content of parts manufactured in Slovakia or other Central and East European countries, at its plant in Trnava, the company's General Manager **Rémi Girardon** told local media. Currently, the regional content of the **Citroën C3 Picasso** is about 35 percent. The number for the **Peugeot 208** is 44 to 45 percent and it will be increased to 48 percent in 2016. According to Girardon, the regional content of the new Citroën B Mainstream model which will be launched in 2016 will be about 86 percent. The target for future models is up to 95 percent.

CTP purchases Slovak portfolio with focus on automotive industry

Investor and developer **CTP** has successfully concluded the purchase of a major portfolio of commercial real estate assets in Slovakia. This purchase makes CTP one of the dominant players on the Slovak real estate market, with a clear focus to satisfy growth plans of its clients from the automotive industry and logistic sectors. The portfolio comprises three assets: 62,000 square metres of logistics and production halls in Trnava, next to the **PSA Peugeot Citroën** production facility, with a land bank of 350,000 square metres for further development – renamed **CTPark Trnava**; a 15,000 square metres automotive components production facility in Nitra, nearby the future site of the **Jaguar Land Rover** plant, with a land bank of 40,000 square metres for further development – renamed **CTPark Nitra**; an 8,500 square metre **Westend Tower** office building in Bratislava. **Tatra Banka**, a member of **Raiffeisen Bank International**, partnered with CTP on deal financing. "The successful closing of this deal underpins our long-term strategy of reaching regional dominance through both acquisitions and organic growth," said **Remon Vos**, CTP's CEO.

PSA expands activities of financial shared service centre in Trnava

PSA Peugeot Citroën is expanding activities of its Slovak financial shared service centre **Direction Financier Central Europe** which is located in the premises of **PCA Slovakia s.r.o.** in Trnava. In addition to financial services for several East European countries which are served from Trnava, the Slovak financial shared service centre added Germany, Austria and Switzerland into its portfolio. The Slovak centre started the work with the three countries October and will fully take over the financial services for Germany, Austria and Switzerland in 2016. 37 people located in Trnava are currently involved in the activities with the three states. This number will increase to 60 by 2016.

Turkey/Russia

Turkish-Russian political crisis takes its toll on auto parts business

The Kommersant business daily in Russia and various Turkish media rang alarm bells recently as the jet crisis may affect the Turkish part exports to Russia. In the first 10 months of 2015 parts exports amounted to \$217 million compared to \$650 million during the same period in 2014. "Our exports have accounted for between \$250 million and \$300 million this year. Sales dropped last year due to Russia's economic crisis. We do not know what will happen next," said **Orhan Sabuncu**, chairman of the **Uludağ Automotive Industry Exporters' Union (OİB)** to Today's Zaman. Last week Russia banned certain food imports from Turkey and left the door open to further embargoes if needed. Media reported that Russia's trade minister advised Russian vehicle manufacturers to consider diversifying their suppliers before a counter-move from Turkey to avoid possible shortage of Turkish made components. According to Russian media, some Russian-based suppliers reported delays for part shipments from Turkey as the Turkish parts spent longer time at Russia's customs.

Ukraine/Russia

Ukraine introduces additional import duties for Russian-made vehicles

The Ukrainian government has imposed additional import duties on imports of vehicles manufactured in Russia. According to the document, the additional import duty for vehicles made at **OOO Sollers-Dalny Vostok** is 17.66 percent, for cars manufactured by **OAo AvtoVAZ** 14.57 percent and for vehicles produced by other Russian manufacturers 10.41 percent. The additional fees apply to passenger cars and to vehicles destined for the transport of no more than eight passengers. The measure will take effect on the 3rd of January 2016 and is valid for five years. The additional duties involve not only Russian brands but also Russian-made cars of non-Russian brands such as for example **Chevrolet Niva**, **Hyundai Accent**, **Kia Rio** or **Volkswagen Polo Sedan**. The Ukrainian government said the additional import duties have been introduced in conjunction with Russian subsidies for its automotive industry in order to protect Ukrainian manufacturers.

AIS Group on additional import duties

The **AIS Group**, which imports or retails Russian-made vehicles of several brands (**Chevrolet**, **GAZ**, **Lada**, **PAZ**, **UAZ**) has published a statement regarding the introduction of additional import duties. "AIS Group will

continue selling Russian cars, but in January 2016 the price will be raised at the size of additional import duties. The important point is that most of the line-up imported from Russia is unparalleled regarding the consumer and price performance in the Ukrainian automobile market, so we think it is significant from the public and social point of view to offer this range to Ukrainian motorists and businesses. It is also important to note that the Russian ruble has depreciated by more than two times over the past year and a half. This significantly reduced the prices in dollar terms for cars produced in Russia and at the moment they occupy a unique niche in their price segment," the statement says. AIS underlines that some Russian factories have foreign shareholders. "Thus, buying a new Lada, Chevrolet Niva or another vehicle is not funding "aggressor country", it makes a profit or loss to international global manufacturers," it said. AIS also draws the attention of buyers to the fact that, including the additional duties, the total size of state budget revenues of Ukraine (VAT, excise duties, additional duty, other taxes and fees) for each purchased vehicle will be about 50 percent, which is a significant social and economic component to fill the budget of the country. "This is despite the fact that the production of these vehicles is subsidized by a neighbouring state, which bears the direct costs from its budget," said AIS.

NEWS FROM MIDDLE EAST AND AFRICA

Africa

CFAO names Hirschfeld as CEO of CFAO Automotive Equipment & Services Eurafrica

Marc Hirschfeld (48) was appointed to a new position as CEO of **CFAO Automotive Equipment & Services Eurafrica**. Hirschfeld will oversee operations of **CFAO Automotive Equipment & Services** in East Africa, the Maghreb, French Overseas Territories and Asia. He is replacing **Bertrand Thiébaud**. In total Marc Hirschfeld has more than 20 years of professional experience in the automotive industry. He held regional, commercial, and international leadership positions within **Fiat** and **PSA** groups. In 2007, he joined the **CFAO Group** to take over the General Management of **CFAO Automotive** subsidiaries in La Reunion and then the General Management of CFAO Automotive subsidiaries in Algeria from 2012 to July 2015. In July 2015, he was named Chief Operating Officer of CFAO Automotive Equipment & Services Maghreb, French Overseas Territories and Asia. CFAO Automotive acts as distributor and retailer of vehicles in 34 African countries, 3 French overseas territories (French Guiana, New Caledonia and Reunion), Vietnam and Cambodia.

Algeria

New plant in Batna region to assemble Hyundai commercial vehicles

The new vehicle assembly plant in El Madher in the Batna region (see Ceauto issue 48-2015) will assemble **Hyundai** trucks and buses, APS reports. The project is a partnership between the Algerian company **Global Motors** and **Hyundai Motor Co**. Vehicle assembly may be launched in March or April 2016. Initially, the plant may start with some 250 workers. The number of employees is expected to be increased up to 1,000 people in the future.

Iran

Nematzadeh: Three European vehicle makers set to return to Iran soon

Three vehicle manufacturers from Sweden, Germany and France will resume operations in Iran when the nuclear accord goes into effect, the country's Industry Minister Mohammad Reza Nematzadeh told reporters on the sidelines of an Iran-Finland trade forum in Tehran without providing details. Iran is also in talks with Italian and Japanese vehicle manufacturers for cooperation but they still have to reach an agreement, he said. "We have signed MoUs with France, Germany and Sweden. We will also cooperate with Italy and Japan but we are still in early stages with these two countries," Nematzadeh is quoted as saying.

Iran Khodro invites foreign partners to cooperation

Iran Khodro Industrial Group (IKCO) says it has invited global car manufactures to cooperate in various fields. "In addition to pursuing different strategies aimed at expanding our local markets, Iran Khodro is seeking to bring more variety to its products in the markets," said **Kamran Sepehri**, IKCO's International Cooperation Manager. According to Sepehri, giving variety to IKCO's portfolio basket is among the main priorities of the company as part of a larger plan to expand cooperation with foreign partners. "Creating joint export networks with foreign companies is also among our main aims," he said. Sepehri said IKCO is interested in signing joint venture agreements with foreign companies to cooperate in research and development projects, designing platforms, developing new powertrains and hybrid technologies. "To this end, IKCO is planning to allocate some of its sites to products that are produced based on the new cooperation," he said. "Through the agreements, we are seeking to expand our local market, increase our export and promote the quality of our vehicles." Citing **Peugeot** and **Suzuki** as the main foreign partners of Iran Khodro, Sepehri also underlined that **Iran Khodro Diesel** is cooperating with **Mercedes-Benz**.

Iran/Niger

Minister of Niger visits Saipa

Omar Hamidou Tchiana, the Minister of Industry and Energy of Niger, visited the production lines of **Saipa Auto Group**. 90 Saipa 131 cars currently serve as taxis in Niger. According to the Minister, Niger may be interested in additional import of cars as well as pickups manufactured by Saipa and its subsidiaries.

Iran/Tunisia

Iran Khodro to export new models to Tunisia

Iran Khodro Industrial Group (IKCO) is set to export its latest products to Tunisia after earning the required standards in the country. **Saeed Tafazzoli**, IKCO's Deputy CEO for Export and International Affairs, said the company has already put efforts into earning the required certificate for the **IKCO Runna**. He predicted that by 2016, all the required arrangements would be made and IKCO would begin exporting Runna and Dena vehicles to Tunisia. "We will export 1,000 vehicles to Tunisia by 2016. Meanwhile, we have renewed our contract with our dealer in Tunisia for another three years," Tafazzoli said.

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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