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NEWS

International

Federal-Mogul terminates spin-off

Federal-Mogul Holdings Corporation has announced it has terminated its previously announced spin-off of its **Motorparts** division. The company will continue to operate in two separate, independent segments with separate CEOs who will each report directly to the board of directors.

Tower sells Chinese joint ventures and one company in Brazil, continues investigating sale of European Operations

Tower International, Inc. announced the outcomes of divestitures completed during the Fourth Quarter 2015 and updated the status of previously announced plans to investigate the potential sale of Tower Europe. The company completed the sale of two joint ventures in China on terms consistent with prior projections.

Cash proceeds received during the fourth quarter were \$48 million. Total enterprise value received from the sales, mainly also including the elimination of associated noncontrolling interests in Tower's net assets, totaled \$88 million. Tower also sold one of its two operations in Brazil during the fourth quarter; this divestiture had not previously been discussed by the company. Net cash proceeds and enterprise value received from the sale were \$9 million. In 2015, the sold business had revenue of about \$30 million and a minor adjusted EBITDA loss. Following these divestitures, Tower projects 2016 revenue in China and Brazil combined of about \$100 million. Regarding the potential sale of Tower Europe, multiple strategic bidders have been invited to participate in the next phase, based on indicative, non-binding offers received before year-end. The process remains on track for Tower to reach a go/no-go decision by about late first quarter 2016; no further status updates are presently contemplated prior to reaching and announcing the final outcome. There is no assurance that a sale will be completed on terms that Tower deems superior to the option of retaining and operating the European business.

Czech Republic

Czech car production reaches new record

Czech car manufacturers produced 1,298,231 cars last year, up 4.15 percent from 2014. That means a new record for Czech car production. **Škoda Auto a.s.** manufactured 736,977 vehicles, up 0.14 percent. Production at **Hyundai Motor Manufacturing Czech s.r.o. (HMMC)** saw an increase by 11.3 percent to 342,200 cars. **Toyota Peugeot Citroën Automobile Czech s.r.o. (TPCA)** produced 219,054 cars last year, up 7.85 percent.

Škoda is considering Fabia comeback in India

Škoda Auto a.s. is considering the possibility to relaunch sales of the **Škoda** Fabia in India. According to Business Standard, the comeback may happen within the next two years. "We are much closer to having a lot of confidence in that segment than ever before. Owing to congestion and parking problems people have begun to disassociate small hatchback from basic transportation needs. They are open to having a good hatchback with all the features. We are convinced that the market is ready. We do want to get back into that segment, at a later time," **Sudhir Rao**, Chairman and Managing director at **Skoda India Private Limited**, is quoted as saying by Business Standard. Fabia was launched in India in early 2008 and Škoda sold about 45,000 units before discontinuing local production in 2013. The hatchback was priced at a premium to then segment leaders like **Maruti Suzuki** Swift and **Hyundai** i20. "Fabia was launched as a premium hatchback and it was a great product. Somewhere along the way we went after volumes and gave up that premium positioning. The market was not ready for premium segment then. Buyers were not ready to pay a premium price for hatchback. We decided to get out until the market evolved," Rao said. Currently the Škoda Rapid, Octavia, Superb and Yeti models are sold in India. The Rapid, which is not identical with the European one, is manufactured in India by **Volkswagen AG**. Other models are assembled at Škoda's plant in Aurangabad. Škoda sold about 15,800 cars in India last year, up 1.9 percent from 2014. According to Rao, the company is looking to grow at a double digit rate in the current calendar year. "We will be launching a couple of products this year and one more next year. We increased sales last year without a launch," Rao told Business Standard.

Škoda reduces production of MQ transmissions

Škoda Auto a.s. has reduced production of MQ transmissions at its plant in Mladá Boleslav. The company has cancelled all three shifts on some days in January.

Hyundai: Average monthly wage of blue-collar workers increased by 10.84 percent in 2015

The average gross monthly wage of blue-collar workers at **Hyundai Motor Manufacturing Czech s.r.o. (HMMC)** in Nošovice was increased by 10.84 percent in 2015 compared to 2014 and amounted to CZK 33,167. The increase partly reflected the extraordinary shifts between August and December. Excluding these extraordinary shifts, the average gross monthly wage amounted to CZK 32,417 last year, up 8.34 percent from 2014. The total average gross monthly wage of all HMMC employees excluding the Korean management was CZK 36,080 last year. In the Moravskoslezský region, where HMMC is located, the average monthly gross salary was CZK 23,626 in the period January to September 2015.

Hungary

Audi to produce Q3 in Győr

Audi AG will transfer the production of the **Audi Q3**, which is currently manufactured at the **Seat S.A.** plant in Martorell, Spain, to its Hungarian facility **Audi Hungaria Motor Kft** in Győr. The move is a part of a model rotation. The Audi A1, currently produced at Audi's plant in Brussels, Belgium, will be made at the Seat factory in Spain in the future. Starting from 2018, **Audi Brussels** will exclusively produce Audi's first battery-electric SUV. The Audi e-tron quattro concept that was presented at the Frankfurt Motor Show in September 2015 provides a clear indication of the final production version. The Brussels plant will also have its own battery production.

Audi Hungaria closes 2015 with record output

Audi Hungaria Motor Kft has had another record year with production of 160,206 cars, up 18.5 percent from 2014. Vehicle production consisted of 28,093 **Audi TT Coupés** and 7,417 TT Roadsters, 107,834 A3 Limousines and 16,863 A3 Cabriolets. The factory also manufactured 2,022,520 engines, up 2.5 percent from 2014. The production of engines included 1,538,933 four-cylinder petrol and diesel engines, 7,711 five-cylinder petrol engines, 435,636 six-cylinder engines and 40,240 eight-, ten-, and twelve-cylinder engines. The company's headcount amounted to 11,274 people at the end of December 2015.

Bosal builds new storage facility in Kecskemét

Bosal Hungary Kft has completed its new storage facility in Kecskemét. The 7,500 square metre building can store up to 12,600 pallets.

Nass Magnet opens new warehouse

Nass Magnet Hungária Kft has opened its new storage facility in Veszprém. The company, which manufactures magnetic systems for the automotive and other industries, has built a 2,154 square metre warehouse which enables them to free up 800 square metre of production space and create around 20-25 new workplaces.

Macedonia

Accomplast lays cornerstone for new plant in Nowa Sól

German supplier **Accomplast GmbH** has laid the cornerstone for its Macedonian plant in the industry zone of Prilep. Macedonian Prime Minister **Nikola Gruevski** joined the ceremony. Plans call for an investment of €3 million and creation of 150 new jobs. The plant is expected to be completed in summer 2016. In Macedonia, Accomplast operates through its local subsidiary **Injection Holding Prilep**.

Poland

Volkswagen Poznań reports results for 2015

Volkswagen Poznań Sp. z o.o. has manufactured 170,810 vehicles in 2015, down 2.5 percent from 2014. Last year, the company switched to new-generations in the case of its both model ranges Caddy and T5/T6. The company's plant for special modifications modified 32,355 vehicles, about 2,000 units more than originally planned for 2015. The total figure includes about 3,500 CNG vehicles. Volkswagen Poznań's foundry manufactured 3,548,128 parts in 2015, up 4.2 percent from 2014. Last year the foundry processed more than 27 tons aluminium.

Volkswagen Poznań appoints Sebastian as new Head of finance

Marko Antonio Sebastian has been appointed as new Member of the Board responsible for Finance at **Volkswagen Poznań Sp. z o.o.** He replaces **Szymon Trzebiatowski** who took over the leadership of the Strategic Project department at the company. Sebastian served as Head of Controlling at the **Volkswagen Nutzfahrzeuge** plant in Hannover, Germany, since 2015. Prior to that he worked on leading positions in the financial department of the **Volkswagen Autoeuropa** car plant in Portugal.

Kabel-Technik Polska inaugurates new plant in Białogard, plans even more space

Kabel-Technik Polska has officially opened a new plant in Białogard. The company rented premises of about 3,000 square metres from the Białogardzki Park Inwestycyjny "Invest-Park" and plans to employ 370 people at the end of 2016. The company also signed a rent agreement with Invest-Park for another 2,500 square metre production facility. Construction of the second facility is expected to be finished in May.

Izo-Blok reports new orders

Polish supplier **Izo-Blok S.A.** has reported new orders for its plastic parts. The company has received an order from **Jaguar Land Rover Ltd.** worth €3.61 million with start of shipments scheduled for July 2017. The company has also reported an order from Germany-based **Faurecia Exteriors GmbH** worth €4.39 million. In this case the launch of shipments is scheduled for April 2017.

Romania

Changes at the top of Ford

John Oldham has been appointed as general manager of the Craiova-based plant and president of **Ford Romania S.A.** He replaces **Jan Gijzen**, who has been running Ford's operations in Romania in the last five years and was now appointed manager of the division for European transformation in production at **Ford of Europe GmbH**. Oldham joined Ford Romania as manager of engine plant in 2013, he was appointed assistant operations manager of the company in 2015. In addition, Ford appointed **Attila Szabo** as general manager of **Ford Romania - National Sales Company**. Szabo replaces **Valerio Brenciaglia** who was named customer service manager at **Ford Italy**.

Romania/Morocco

Dacia reports new sales record

Automobile Dacia S.A. has sold 550,920 vehicles manufactured under the **Dacia** brand in Romania and Morocco last year, up 7.7 percent from 2014. This result represents a new record for the Dacia brand. France was Dacia's main market with 100,035 units. It was followed by Spain (55,168), Germany (47,453), Italy (46,792), Turkey (44,812), Algeria (40,688), Morocco (37,392), Romania (36,946), UK (26,267) and Belgium (17,000).

Russia

Mitsubishi to phase out assembly of Pajero Sport at PCMA

Mitsubishi Motors Corporation will phase out assembly of the **Mitsubishi** Pajero Sport at its **000 PCMA Rus** joint venture plant in Kaluga this year, **Naoya Takai**, President and CEO of Mitsubishi distributor **000 MMC Rus**, told Izvestia. With the switch to the new-generation Pajero Sport, the assembly in Russia will be phased out and the model will be sourced from Thailand. "This is due to the fact that the vehicle is brand new from a technical point of view, initially we want to test it on different markets to understand the interest in it, if it will prove to be good, we are planning to set up production in Kaluga," Takai is quoted as saying. PCMA assembled about 21,000 Mitsubishi vehicles in 2015, including 19,000 Outlanders and 4,000 units of the Pajero Sport, he said. According to Takai, this year's Outlander output is expected to be similar to 2015.

AvtoVAZ concentrates some small volume productions at main plant

OA O AvtoVAZ has closed its **OPP** production department. The OPP department used to produce the long version of the **Lada** 4x4 (2131). Production of the model was moved to the Lada Priora assembly line. Prototypes were also built at OPP. AvtoVAZ also plans to close its sister companies **Lada Sport**, which is responsible for the production of Lada Kalina and Granta sport versions, as well as **VIS Avto**, mainly known for its Lada-based pickups, and produce the vehicles at the main plant.

AvtoVAZ to produce stretched Lada Vesta on order

0AO AvtoVAZ plans to produce a stretched version of the Lada Vesta on the basis of individual orders, kolyosa.ru reports. The car, dubbed Vesta Signature, was unveiled last year. There is currently no information about the price of the stretched version.

Ford EcoSport now with Russian-made engines

000 Ford Sollers Holding has launched volume production of the **Ford EcoSport** equipped with Russian-made 1.6 litre engines. After the Fiesta, the EcoSport is the second model powered by locally manufactured engines. The third model to receive the engine, which is produced at Ford Sollers' plant in Elabuga, will be the Focus.

Ford Sollers finalises next phase of localization

000 Ford Sollers Holding said it has finalised another phase of localisation and is now using 300 localised components at its plants in Elabuga, Naberezhnye Chelny and Vsevolozhsk.

Nokian appoints Pantioukhov as Executive Vice President

Finnish company **Nokian Renkaat Oyj (Nokian Tyres plc)** has appointed **Andrei Pantioukhov** as Executive Vice President. He will support the President and CEO in strategic initiatives. Pantioukhov will also continue in his present role as the General Manager for **Nokian Tyres Russia**. „I am very pleased that Andrei will support the company's global endeavors. He is a key person behind Nokian Tyres' success in Russia and the company will now benefit from this experience and know how globally,” Nokian's President and CEO **Ari Lehtoranta** said.

Lexus cuts model offer

Some **Lexus** models are no longer offered in Russia. Lexus CT 200h, IS 300h models as well as the basis and hybrid versions of the Lexus GS are not available.

Russia/Kazakhstan/Ukraine/Belarus

GM-AvtoVAZ: Kazakhstan remains largest export market

ZAO GM-AvtoVAZ exported 2,374 **Chevrolet Nivas** last year, down 40.4 percent from 2014. Kazakhstan remained GM-AvtoVAZ's main export market with 39.8 percent of all export shipments. 27.4 percent of the production were exported to Ukraine and 11.5 percent to Belarus.

Slovakia

Polytechnic school in Nitra to train employees for Jaguar Land Rover

Jaguar Land Rover Slovakia s.r.o. will cooperate with the Polytechnic Secondary Vocational School on Novozámocká Street in Nitra regarding the training of workers for its new plant, Nitra region spokesperson

Ol'ga Prekopová said. The company has selected the school due to the way that it prepares its students and also because of the composition and focus of vocational fields. Jaguar Land Rover expressed interest in professions including milling and welding machine programmers, equipment metal workers and mechanic-electricians. "If the investor requests, the school will recruit students in the mechanic/mechatronic and machine mechanic fields of study. A tool-making vocational course will also be added to the curriculum," Prekopová told TASR. The school is also a centre of vocational education in the field of CNC technology. The Nitra region has allocated more than €1.66 million to the centre in the 2016 budget.

Slovakia/Czech Republic

Kia to launch production of new engines

Kia Motors Slovakia s.r.o. is preparing for production of new engines with the launch of volume production scheduled for late 2016. The main portion of this year's investment of about €60 million will be destined for the engine project. Initially, the engines will be shipped to the **Hyundai Motor Manufacturing Czech s.r.o.** plant in Czech Republic and later also installed in cars manufactured at the Slovak plant.

Slovenia

Akrapovič's revenue up 16 percent from 2014

Akrapovič d.d., the Slovenian manufacturer of high-end motorcycle and car exhausts Akrapovič posted €78 million in sales revenue in 2015, up 16 percent from 2014. Net profit topped €7 million, exceeding the 2014 figure by a million. The company expects to reach a 14 percent rise in sales revenue this year, CFO **Matej Akrapovič** told STA. Profit is also expected to grow. Akrapovič finished the transfer of its production from Ivančna Gorica to Črnomelj in May 2015. The management, the department for development, foundry, tool repair workshop and a unit of pre-production stayed in Ivančna Gorica. If growth continues at the current pace, the size of the production facilities in Črnomelj should suffice for the next five years. The company currently employs 850 people, including 600 in Črnomelj and 250 in Ivančna Gorica. Another 20 people are to be recruited this year. A new testing centre and an office building are to be constructed in 2017 and 2018. Motorcycle exhaust systems account for 70-75 percent of the sales while the growing car segment accounts for the remaining 25-30 percent.

Eco Fund to increase grants for electric vehicles

The national **Eco Fund** extended last year's public calls for grants for electric vehicles and announced on that it would publish new ones. The fund increased grants from €2,000-5,000 in 2015 to €3,000-7,500 this year, depending on the vehicle. The Eco Fund is to publish this year's tenders in February, and individuals, the state, local communities and companies will be eligible to apply. Since 2011, Eco Fund has made available €1.8 million in grants for e-cars, while it has actually paid out €1.1 million for the purchase or remodelling of 274 vehicles. In addition to the grants, the fund also made available €15 million in low-interest loans for environmental investments.

Turkey

Chicago Pneumatic Tools opens new offices in Istanbul

Chicago Pneumatic of the US has opened new offices in Varyap Plaza, Istanbul. The company is expanding its presence in Turkey with a new 300 square metre customer center. The new office provides additional space for Customer Support and Service, as well as for Product and Technical training activities. "We are becoming a more customer centric organisation with this expansion," said **Ataollah Maleki**, Chicago Pneumatic Tools Turkey General Manager.

Turkey/Iran

Lifting of Iran sanctions may increase Turkish exports by 10 percent

Turkish exports may increase between 8 and 10 percent with the end of sanctions on Iran, **Mehmet Büyükekşi**, the head of the **Turkish Exporters' Assembly (TIM)**, said at a news conference. According to Büyükekşi, key sectors for Turkish companies in Iran are automotive, clothing, textiles, machinery and chemicals. Büyükekşi also said Turkish and Iranian companies, especially those in the automotive business, could now form joint ventures.

Ukraine

No official shipments of Ferrari and Lamborghini

Ferrari and **Lamborghini** cars are no longer officially sold in Ukraine, Auto-Consulting reports. Both brands were imported by the **Vipos Group**.

Uzbekistan

Uzbekistan: 42 cars per 100 families

There are about 42 cars per 100 families in Uzbekistan, which is an increase by 1.5 times in last five years, the President of Uzbekistan **Islam Karimov** said at the session of the Cabinet of Ministers dedicated to the results of 2015.

NEWS FROM MIDDLE EAST AND AFRICA

Middle East and Africa

Autoneum appoints new Head of Business Group SAMEA

Swiss supplier **Autoneum Holding AG** appointed **Fausto Bigi** as Head of Business Group SAMEA (South America, Middle East and Africa) and member of the Group Executive Board. Bigi has long-standing experience in the global automotive supplier industry. He was already in charge of the South America business of the Automotive Systems division of **Rieter Holding AG** from 2008 to 2011 and following the spin-off additionally served at Autoneum as Deputy Head of Business Group SAMEA until 2012. The Brazilian citizen will take over management of Business Group SAMEA on the 1st of March from CFO **Martin Zwyssig** who has been temporarily in charge of it since the 1st of January. The headquarters of the Business Group will be transferred from Winterthur, Switzerland, to São Paulo, Brazil.

Algeria

First Hyundai commercial vehicles to be assembled in March

Representatives of **Hyundai Motor Company** recently visited the site of the future assembly plant for **Hyundai** commercial vehicles to be operated by **Global Motors Industries** in the Batna region. Initially, Hyundai vehicles will be assembled from SKD kits while the plant is to switch to CKD later. First trucks are expected to be assembled in March and assembly of buses is to start in mid-2016. Plans call for the assembly of HD 35 small trucks, HD 1000 large trucks, County small buses and Univers large buses. Global Motors Industries and Hyundai plan to reach annual capacity of up to 20,000 vehicles and local content of 40 percent by 2022.

Iran

Daimler signs letters of intent with Iran Khodro Diesel and the Mammut Group

Daimler AG has signed letters of intent with its local cooperation partners **Iran Khodro Diesel (IKD)** and the **Mammut Group**. Daimler have had successful business relations with IKD, the commercial vehicle arm of **Iran Khodro Industrial Group (IKCO)**, for the past 50 years. The letter of intent was signed by IKCO's President and CEO **Hashem Yekehzare** and **Wolfgang Bernhard**, Daimler's Member of the Board of Management responsible for Daimler Trucks and Buses, in Tehran. "Iran Khodro has been following a drastically different approach in its new round of international negotiations, where the company insists on joint investment and participation," Yekehzare said. "Daimler commercial vehicles have always had an excellent reputation in Iran," Bernhard explained. "We plan to quickly resume our business activities in the market there." The areas of cooperation include a joint venture for local production of **Mercedes-Benz** trucks and powertrain components plus the establishment of a sales company for Mercedes-Benz trucks and components. Furthermore, there are plans for Daimler to return as a shareholder in the former engine joint venture **Iranian Diesel Engine Manufacturing Co. (IDEM)** which is located in Tabriz. In addition to this, both

partners are looking at establishing a joint venture for local sales of Mercedes-Benz commercial vehicles. The first Mercedes-Benz Actros and Axor trucks are expected to be supplied to the country in the form of CKD kits this year. Daimler Trucks intends to open a representative office in Tehran during the first quarter of 2016. With these commitments, Daimler Trucks is therefore committed to assist with the country's economic and social development. In addition to the plans for Mercedes-Benz trucks, Daimler Trucks also sees great opportunities for **Mitsubishi Fuso** - especially in the light-duty-truck segment. To open up this market, Daimler and **Mayan** have signed a distribution agreement for the FUSO brand. Mayan is part of the Mammut Group. The Dubai-based Mammut Group is one of the Middle East's largest truck-body builders and distributors.

Iran Khodro reports higher daily production

Iran Khodro Industrial Group said it has managed to considerably increase its daily production recently. Now the company produces over 2,100 cars and pickups on a daily basis which is near to 100 percent higher in comparison with previous months. **IKCO** has produced 378,939 cars and pickups between the 21st of March 2015 (beginning of current Iranian year 1394) and the 8th of January 2016. The greatest share of the production falls respectively to **Peugeot** Pars with 89,675 units, Peugeot 405 with 89,641 units, Peugeot 206 with 80,025 units and IKCO Samand with 64,620. The total figure also includes Renault Tondar (14,986), IKCO Arisun (13,431), IKCO Dena (13,100), IKCO Runna (12,172), **Suzuki** Grand Vitara (1,040) and 266 units of other models.

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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