

INDEX

• Czech Republic _____	1	• Slovakia _____	7
• Czech Republic/Iran _____	2	• Slovenia _____	7
• Hungary _____	2	• Turkey _____	8
• Kazakhstan _____	3	• Uzbekistan _____	9
• Poland _____	3	• Uzbekistan/Russia _____	9
• Romania _____	3	• News from Middle East and Africa ___	9
• Romania/Bulgaria _____	3	• Iran _____	9
• Russia _____	4	• Morocco _____	10
• Russia/Syria/Lebanon/Israel _____	5	• This week on ceauto.co.hu _____	11
• Russia/Uzbekistan _____	6	• Imprint _____	11
• Serbia _____	6		

NEWS

Czech Republic

Czech Republic sees production increase in January

Czech car manufacturing grew 2 percent year-on-year in January with a total of 111,763 units. Production at **Škoda Auto a.s.** declined 1.77 percent to 62,492 cars. Output at **Hyundai Motor Manufacturing Czech s.r.o.** rose 10.8 percent to 28,700 units. **Toyota Peugeot Citroën Automobile Czech s.r.o. (TPCA)** manufactured 20,571 cars, up 2.6 percent from like-2015.

Škoda VisionS bows in Geneva

Škoda Auto, a.s. introduced its new VisionS concept SUV at the Geneva Motor Show. It is based on the Volkswagen MQB platform, and it is the first **Škoda** to feature six seats across three rows. The VisionS, which

is powered by a plug-in hybrid drive is 4.70 metres long, 1.91 metres wide and 1.68 meters tall. A production version will be unveiled at the Paris Motor Show later this year.



Czech Republic/Iran

Škoda: No decision on Iran activities yet

Škoda Auto a.s. has not made a final decision regarding the market entry in Iran yet. "The analysis suggests the possibility of selling perhaps up to 2.5 million cars a year, so it is a very interesting market. We analyse the situation there, but the decision has not been made yet," Škoda's CEO **Bernhard Maier** told Czech journalists.

Hungary

PEMÜ expands in Solymár

PEMÜ Műanyagipari Zrt is in the middle of a capacity expansion project at its Solymár factory. The HUF 189 million project is expected to create eight new jobs and it is now supported with a HUF 58 million government grant.

New investments in Kecskemét

Péter Szijjártó, Minister of Foreign Affairs and Trade, recently held talks with **Dieter Zetsche**, Chairman of the Board of Management at **Daimler AG**. Afterwards the Minister announced that two new projects will arrive to Kecskemét shortly: a new supplier will set up a greenfield factory, while an existing supplier plans to increase its production capacity. Further details will be available within a few weeks.

Kazakhstan

Industrial zone to be founded in Kostanay region

Plans for the creation of a new industrial zone in the Kostanay region were announced during the visit of **Aset Isekeshiev**, the Kazakh Minister for Investments and Development, to **AllurGroup's** companies **AO AgromashHolding** and **TOO SaryarkaAvtoProm** in Kostanay. According to the AllurGroup, a tripartite agreement regarding the creation of the industrial zone as well as memoranda with the group's partner vehicle manufacturers were signed.

Poland

Gedia expands plant in Nowa Sól

Gedia Poland Sp. z o.o. has launched another phase of expansion of its plant in Nowa Sól. Construction of a new hall started at a land previously occupied by a tyre service company. Gedia agreed with the company that it will move to another location with financial support from the supplier so that Gedia can use the place for its expansion.

Exact Systems expands to China

Exact Systems S.A., the Polish company which offers quality control system for suppliers and car manufacturers, is expanding to the Chinese market. The company will open a subsidiary in Shanghai and expects to employ 100 people in China by the end of 2016. China will be the 12th country and the first country outside Europe to have a subsidiary of Exact Systems.

TRI to establish production in Sosnowiec

Supplier **TRI (Poland) Sp. z o.o.**, which already operates two plants in Poland, plans to establish a third production site in Sosnowiec. TRI will take over premises which were previously used by Finnish wiring harness manufacturer **PKC Group plc**. Plans call for the creation of about 200 jobs.

Romania

VCST expects turnover increase by two thirds for 2016

VCST Automotive Production Alba SRL, the Romanian subsidiary of Belgium's **VCST**, plans to achieve a turnover of over €24 million this year, up 67 percent from 2015, at its plant in Alba Iulia. "Last year we won customers and new projects which begin mass production this year. The market was stable in 2015, and the Volkswagen case did not affect our factory in Alba," plant manager **Alexandru Goia** told ZF Transilvania.

Romania/Bulgaria

Romanian Honda importer may expand activities to Bulgaria

Honda Trading Romania SRL, the Romanian **Honda** importer, is in talks to take over the import of the brand in Bulgaria. The company's commercial director **Ionuț Lupu** confirmed in an interview with Ziarul Financiar that there are discussions about an expansion to other markets.

Russia

Renault launches export of cars to Vietnam

Renault S.A. has started exports of cars manufactured in Russia to Vietnam. The shipments will include the **Renault Logan** and the **Sandero Stepway** made at **ОАО AvtoVAZ** in Togliatti and the **Renault Duster** manufactured at **ОАО Renault Russia** in Moscow. "Export is becoming increasingly important in light of the car production development strategy aimed at providing import substitution and enhancing competitiveness of the Russian products," said **Andrey Pankov**, General Director of Renault Russia. "We are proud that our cars produced in Russia with high local content, which are meeting international standards, are supplied to a non-CIS market for the first time." Since the start of the export of Russian made **Hyundai** cars to Egypt and Lebanon in summer 2015, this is only second time that Russian-made cars of a foreign brand are being exported to a market outside of the CIS.

General Motors does not exclude restart of production in Russia

General Motors Co., which phased out production at its **ООО GM Avto** plant in St. Petersburg and contract assembly at **ООО Avtotor Holding** in Kaliningrad and **Gruppa GAZ** in Nizhny Novgorod last year, is not excluding a possible restart of output in Russia. Whilst there currently are no plans to resume production, GM' European Head and **Opel Group GmbH's** CEO **Karl-Thomas Neumann** said in an interview with Automotive News Europe the company has the "building blocks" needed if it decides to revive its Russian operations. "We still have a dealer network for **Cadillac** and premium **Chevrolet** models, so never say never," Neumann is quoted as saying. However, it is unlikely that Opel will make a comeback in Russia. "I would be very surprised if the brand we come back with is Opel," he said. "We tried to leave Russia in a way that we don't burn any bridges," Neumann told Automotive News Europe. "We wanted to be a good citizen and do it in a way such that we can look at each other in the eyes afterwards." According to Neumann it makes sense for GM to keep hold of the St. Petersburg factory. "If we sold it, the gain would only be short term and it doesn't cost us much to keep it." GM can envision a day when it restarts vehicle production in Russia, Neumann said. In addition to North American GM models, the **Chevrolet Niva**, which is manufactured by **ЗАО GM-AvtoVAZ** in Togliatti, Russia, and **Ravon**-branded cars sourced from **GM Uzbekistan YoAJ** are also sold in Russia.

Parts worth more than RUB 19 million are missing at AvtoVAZ

During the annual check of inventory at **ОАО AvtoVAZ** the shortage of property worth more than RUB 19 million was discovered, **Anton Ivoylov**, the deputy chief of the Department of Information and Public Relations of the Directorate of the Ministry of the Interior for the Samara Region, told Interfax.

Ford Sollers unveils Focus LPG

ООО Ford Sollers Holding has unveiled the **Ford Focus LPG** at the **AutoInvest** conference in St. Petersburg. The company has manufactured a test series of the Focus LPG in hatchback and wagon body styles at its plant in Vsevolozhsk. The pilot batch was produced in order to study consumer demand as well as the possibility to adapt the production for cars of this type.

Volkswagen assembles one millionth vehicle in Kaluga

OOO Volkswagen Group Rus has celebrated the assembly of the one millionth car at its plant in Kaluga. SKD assembly was launched in Kaluga in 2007. The plant switched to CKD assembly in 2009 and has increased the local content since then significantly.

Rosseti and UAZ sign agreement on strategic partnership

PAO Rosseti and **PAO UAZ** have signed an agreement on strategic partnership and development of long-term collaboration in terms of using UAZ technology for the service of facilities in electric grid complex. Under the agreement, the companies agreed to develop new special versions based on UAZ vehicles for the needs of the distribution grid complex and to take an action to renovate vehicle fleet of Rosseti.

Government of Ulyanovsk Region defends decision to buy a building from UAZ

The government of the Ulyanovsk Region has decided to buy a vacant building formerly used for healthcare services from the **PAO UAZ** in order to support the vehicle manufacturer. Some of the government's offices now located in different parts of Ulyanovsk will be moved to the site. **Sergey Neverov**, Secretary of the General Council of Russia's ruling political party **Yedinaya Rossiya** or **United Russia** in English and Deputy Duma, has criticised the decision. According to Neverov, the proposal of Governor **Sergey Morozov** to support UAZ, one of the major companies in the region, by purchasing an empty building "looks like a help for Sollers' shareholders in getting rid of a clearly illiquid asset." **Alexander Yakunin**, the first Deputy Governor and Head of the Administration of the Ulyanovsk Region said that the purchase of the building brings benefits for both the region and the vehicle factory and is, in fact, one of the anti-crisis measures of the Ulyanovsk authorities in the current economic situation. "I would like to remind Sergey Ivanovich (Neverov), that in 2013 the regional authorities have already taken a decision to provide tax benefits for **OAT**, a partner of **AvtoVAZ**), and it did not cause any reaction of the party. Obviously, the Secretary of the General Council of United Russia is deliberately misinformed by forces wishing to destabilise the political situation in the region on the eve of elections to the State Duma. For this reason, Sergey Ivanovich (Neverov) apparently did not know that the proceeds from the sale of UAZ's building will be used for payment of salaries to employees, the supporting of modernisation processes and the acquired building will serve for solving of challenges of effective disposal of state property," said Yakunin.

Governor Merkushkin: First payment of wage debts to employees of AvtoVAZagregat to come soon

Samara Region Governor **Nikolai Merkushkin** met the main shareholder of struggling supplier **ОАО AvtoVAZagregat Alexey Kozlov**. During the conversation the head of the region put strict conditions on repayment of wage debts to employees of the company. The governor demanded from AvtoVAZagregat's owner a full repayment of the debt within a month. Kozlov gave Merkushkin written commitments. The first payment of debts wages is expected to begin this or early next week. All debts are to be paid before the end of March. **Viktor Kozlov**, managing director of AvtVAZagregat, was detained by police at one of Moscow airports on the 24th of February. Then police officers took him to the territory of the Samara region for investigation. Viktor Kozlov had to sign a document that he won't flee Russia. According to the government

of the Samara Region, the situation around AvtoVAZagregat is under constant control of Russia's Presidential Administration, Presidential envoy in the Volga Federal District **Mikhail Babich** and the Governor.

Russia/Syria/Lebanon/Israel

AvtoVAZ to relaunch Lada shipments to some Middle East markets

OA O AvtoVAZ is relaunching exports of **Lada** cars to some Middle East countries. "We go back to Syria, Lebanon and Israel. Maybe it's not a very convenient time, but we return (in cooperation) with **Nissan** importers - they are very strong partners," Izvestia is quoting an unnamed source close to AvtoVAZ's management. In Lebanon, Lada cars are already offered by **Rasamny-Younis Motor Company S.A.L. (Rymco)**, the Lebanese Nissan, **Infiniti** and **GMC** importer. "We have already begun the sale of Lada 4x4 and Urban cars, I have seen Vesta and Xray on the internet, that are attractive cars, I hope we will soon be selling the full range of AvtoVAZ's cars," Rymco's sales manager **Imad Nasr** told Izvestia. In Syria, Lada cars are to be imported by Nissan and Infiniti importer **Rakha Trading Co. LLC**. "We expect Lada supplies from Russia at the beginning of March, first Granta, 4x4 and Largus, then gradually we will begin to import other models such as Kalina, Vesta and Xray," Rakha Trading's representative in Damascus confirmed to Izvestia. According to the newspaper, **Carasso Motors Ltd.**, the Israeli importer of **Renault**, **Dacia**, Nissan and Infiniti cars, is to import Lada cars as well.

Russia/Uzbekistan

Ravon publishes full price list for R2

Following the publication of the RUB 369,000 starting price for the **Ravon R2**, the Russian Ravon distributor has announced prices for other versions. Sales of the Uzbek-made Ravon R2, formerly known as **Chevrolet Spark**, will be launched in Russia on the 10th of April. Ravon dealers will start to accept orders on the 10th of March.

Serbia

FCA interrupts production

FCA Srbija d.o.o. has interrupted production at its plant in Kragujevac. The company is not producing cars between the 24th of February and the 6th of March.

Leoni considers production in Kuršumljia

German wiring harness manufacturer **Leoni AG** is considering production in Kuršumljia, South Serbia. Leoni's representatives toured several existing facilities in Kuršumljia in order to find suitable premises for production activities which would employ about 1,400 workers, the city's mayor **Radoljub Vidić** told media. "Leoni is interested in the halls of the former factory **7. Juli** as well as two halls of the **Kopaonik** company, which all have the necessary infrastructure," he is quoted as saying. According to Vidić, Leoni would open a production facility in Kuršumljia if it will receive incentives from the Serbian government for creating new jobs. Leoni already operates two Serbian plants in Prokuplje and Doljevac, both located in South Serbia.

Mei Ta to start construction of new plant this month

Chinese supplier **Mei Ta Industrial Co. Ltd.** will start construction of its new plant in Barič, a village in the Obrenovac municipality near Belgrade, on the 19th of March. The company plans to invest €60 million during five years. Plans call for the creation of almost 1,400 jobs, of that 770 in the first phase and 600 in the second phase.

Hutchinson opens new plant in Ruma

French supplier **Hutchinson S.A.** has officially opened its new plant in Ruma. Serbian Prime Minister **Aleksandar Vučić** joined the ceremony. Vučić said that it was not easy to convince Hutchinson to come to Serbia since the company has also considered sites in Macedonia, Bulgaria and Turkey. Hutchinson will produce rubber hoses for cooling systems in Ruma and supply them to vehicle manufacturers such as **Daimler AG, Fiat Chrysler Automobiles N.V., Suzuki Motor Corp.** and **Renault S.A.** Hutchinson built a manufacturing facility of close to 6,000 square metres, the investment is estimated at €7.3 million. "We are happy that 200 people will get a job according to the agreement (with Hutchinson), I think there will be 300, and we are talking about the (possibility) that fuel hoses are manufactured here as well, which would mean another 400 employees," said Vučić. Ceauto Newsletter already reported about plans for an expansion of Hutchinson's facility in Ruma last month.

Tigar Tyres to add 300 jobs

Tigar Tyres d.o.o., the Serbian **Compagnie Generale des Etablissements Michelin SCA** subsidiary, is hiring 300 new employees for its plant in Piroć. According to the local office of the National Employment Bureau, the company is looking for 200 production workers, 40 maintenance employees and 60 fork lift operators. Tigar Tyres currently employs some 3,000 people.

Slovakia

VW completes building for new body shop

Volkswagen Slovakia a.s. has completed the construction of a 35,700 square metre building for its new body shop destined for the next-generation **Porsche** Cayenne. Currently, the latest welding technologies including some 500 robots are being installed.

Slovenia

OMPG and Melamin found joint venture

German company **Ostthüringische Materialprüfgesellschaft für Textil und Kunststoffe mbH (OMPG)** and the Slovenian company **Melamin kemična tovarna d.d.** have founded a 50:50 joint venture named **SmartMelamine**. The company, located in Kočevje, will produce particularly heat-resistant special fleece melamine meltblown.

Turkey

Toyota unveils C-HR in Geneva

Toyota Motor Corporation introduced the production-ready version of the C-HR crossover at the Geneva Motor Show, which will be built at the **Toyota Motor Manufacturing Turkey** plant in Sakarya. Start of production has not been officially announced, but supplier sources claim September. The new C-HR is built on the company's New Global Architecture. Engine options include the well-known 1.8-litre hybrid powertrain and a new 1.2-litre turbocharged petrol engine which is capable of 85 kW. The latter version can be ordered with either a 6-speed manual gearbox or a Continuously Variable automatic Transmission system. The CVT is available in front-wheel or 4-wheel drive versions. On some markets Toyota will also launch a 2.0-litre CVT-only model as well.



Fiat extends Tipo family in Geneva

Fiat Chrysler Automobiles N.V. lifted the veil on the new **Fiat Tipo** 5-door and Station Wagon. The Tipo sedan has already raked up 20,000 orders since its launch in November. The Tipo family will share engines and gearboxes. Production of the new versions is already under way at the **Tofaş Türk Otomobil Fabrikası A.Ş.** factory in Bursa.



Uzbekistan

Government may change order of realisation of new cars

The Government of Uzbekistan can now introduce changes to order the realization of automobiles in the country. The single portal of interactive state services published a draft resolution of the Cabinet of Ministers named "On improving of services on technical maintenance and ensuring secure exploitation of automobiles". According to the document, the government is planning to set an order, in line with which sales of automobiles of M1 and N categories (excluding special vehicles) will be conducted only by legal entities – official dealers of manufacturers, which have own service stations in the regions of Uzbekistan. The service stations should meet requirements of technical maintenance and repair of vehicles. The document is to install general requirements to stations of technical maintenance and repair of vehicles.

Uzbekistan/Russia

Uz-Hanwoo starts exports to Russia

OOO Uz-Hanwoo, the Uzbek-Korean joint venture which manufactures sound insulation parts for **GM Uzbekistan YoAJ**, has started exports to Russia. The shipments of parts destined for **Ural Next** trucks are going to the truck manufacturer **ОАО АЗ Урал**. According to **AK Uzavtosanoat**, Uz-Hanwoo also plans to supply parts for trucks manufactured at **OOO JV MAN Auto Uzbekistan**.

NEWS FROM MIDDLE EAST AND AFRICA

Iran

Fiat Chrysler and Iran Khodro edges closer to sign cooperation agreement

Last week a delegation, consisting of 12 managers from **Fiat Chrysler Automobiles N.V.**, paid a visit to the Tehran and Khorassan plants of **Iran Khodro Industrial Group**. According to media reports, the two companies may sign an agreement, resulting in local assembly of a host of **Fiat** models, including the Tipo, the Strada and the Doblò. Total production should reach 300,000 to 400,000 units a year.

Renault is targeting 20 percent market share in Iran in 2020

Renault S.A. is targeting a 20 percent share of the car market in Iran in 2020 and has an ambition to become the "strategic partner" of the local automotive industry, said **Peyman Kargar**, CEO of the Iranian joint venture **Renault Pars** and Renault's Vice President of the Africa-Middle East-India region. "We never left Iran and have prepared the coming stages and this gives us besides nearly two years of competitive advantage over other competitors who will be present" in the country, he told media. Renault had reached "nearly

10 percent market share in 2012" with "more than 100,000 vehicles" Kargar explained. Currently, locally manufactured **Renault** Tondar 90, Sandero and Tondar pickup as well as some imported models sourced from South Korea and Europe are offered in Iran. "Today, our primary goal is to return to the 10 percent market share," he stressed. Renault sold about 51,500 vehicles in Iran in 2015, representing a market share of 4.8 percent. Renault has a "growth plan, with new models and a framework for strengthening partnerships and here we will look for a 20 percent market share in 2020," said Kargar.

Iran Khodro's production surpassed 450,000 vehicles

Iran Khodro Industrial Group (IKCO) manufactured 452,800 cars and pickups in the first eleven months of the Iranian year 1394 (21st of March 2015 to 20th of February 2016). The **Peugeot** 405 ranked first with 107,846, followed by the Peugeot Pars with 104,983 units. The two models are followed by the Peugeot 206 (96,830) and then the **IKCO** Samand (77,218). Production of the **Renault** Tondar 90 increased by 85,7 percent to 17,712 cars. The Tondar 90 is followed by the IKCO Arisun pickup (17,456), the IKCO Dena (15,382), the IKCO Runna (13,586), the **Suzuki** Grand Vitara (1,147) and the **Haima** S7 (596). The Grand Vitara production accelerated by 75.9 percent compared to the same period last year.

Saipa launches sales of locally assembled Changan CS35

Sales of the **Changan** CS35 crossover, which is being assembled by the **Saipa Kashan** factory, has commenced, announced **Reza Taghavi**, Marketing and Sales Manager at **Saipa Auto Group**. In early 2015, 1,500 units of the CS35 were imported and the model was "well received" added Taghavi.

Local market grows

Donya-ye Eqtesad, an Iranian daily reported that 900,000 domestic and 51,500 imported cars received number plates during the first 11 months of 1394 (21st of March 2015 to 20th of February 2016).

Morocco

Change at the top of Renault in Morocco

Marc Nassif (54) has been appointed Managing Director of **Group Renault Maroc** effective from the 1st of March. He replaces **Jacques Prost** who is retiring. In his new position, Nassif is responsible for Renault's plants in Tangier and Casablanca as well as the distribution company **Renault Commerce Maroc**. Marc Nassif, who was born in Egypt, studied in France. After a first experience in the USA at **AMC Jeep Renault**, he left for Renault in Mexico and returned to **Renault S.A.** to France in 1987. Following that, he worked for Renault at various positions in France, Spain and Brasil. In 2006, Nassif led Renault's expansion to India with the Logan project in cooperation with the Indian manufacturer **Mahindra & Mahindra**. Later he became CEO of the group in India. Since mid 2014, he served at Renault in France as Director of International Development in the Engineering Department with responsibility for the development of international engineering centres.

THIS WEEK ON CEAUTO.CO.HU

New car market in Russia: 81,849 new light vehicles were sold in January, 2016

<http://ceauto.co.hu/news/new-car-market-in-russia-january-2016-figures-are-released>

New car market in the Czech Republic: 18,764 new light vehicles were registered in January, 2016

<http://ceauto.co.hu/news/new-car-market-in-the-czech-republic-january-2016-figures-are-released>

New car market in Slovenia: 6,688 new light vehicles were registered in January, 2016

<http://ceauto.co.hu/news/new-car-market-in-slovenia-january-2016-figures-are-now-available>

New car market in Romania: 5,980 new light vehicles were sent to dealers in January, 2016

<http://ceauto.co.hu/news/new-car-market-in-romania-january-2016-figures-are-released>

New car market in Serbia: 1,360 new light vehicles were sold in January, 2016

<http://ceauto.co.hu/news/new-car-market-in-serbia-january-2016-figures-are-released>

New car market in Bosnia: 511 new light vehicles were registered in January, 2016

<http://ceauto.co.hu/news/new-car-market-in-bosnia-january-2016-figures-are-now-available>

New car market in Moldova: 234 new light vehicles were registered in January, 2016

<http://ceauto.co.hu/news/new-car-market-in-moldova-january-2016-figures-are-released>

IMPRINT

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

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

Copy Editor: Timothy Rawson

Layout Editor: Katalin Böröcz

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

CeAuto Newsletter is published on every Wednesday.

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

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