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NEWS

International

Nokian Renkaat postpones plans for new factory in Central Europe

Finnish tyre-maker **Nokian Renkaat Oyj** postponed its plan to build a new plant in Central Europe. "We have not abandoned it, but we have postponed it due to the weakness of the Central European economy and the market," the company's CEO **Kim Gran** told a news conference.

Belarus

BELGEE appoints its first dealer

SZAO BELGEE appointed Minsk-based **Avtotorgservice** as its first dealer. According to **Dmitry Batrakov**, Director of BELGEE, dealerships will be set up in all regional centres over the course of this year. Batrakov expects sales of about 1,000 cars in Belarus this year. "If we will sell 1,000 cars in the first year, that's not bad at all." Batrakov told local news agency BELTA.

Bulgaria

LEM to establish plant in Sofia

Swiss company **LEM Holding SA** has decided to establish a new low-cost production plant in Sofia. LEM expects to ramp up production in Bulgaria from October 2013 and intends to invest CHF 2 million in the creation of the new site. The new plant, which will be established on a leased property in Sofia, occupies 4,500 square meters of floor space. In an initial phase, **LEM Bulgaria** will hire 50 employees. The new site is expected to absorb a major part of LEM's future growth. LEM says it is the market leader in providing innovative and high quality solutions for measuring electrical parameters. Its core products - current and voltage transducers - are used in a broad range of applications in drives and welding, renewable energies, power supplies, traction, high precision, conventional and green cars. LEM employs approximately 1,200 people worldwide at its plants in Switzerland, China and Japan as well as its regional sales offices.

Czech Republic

Škoda ramps up production of MQ200 transmissions

Production of the MQ200 transmission is gradually increasing at the Vrchlabí plant of **Škoda Auto a.s.** According to *Škodoväcký odborář*, the newspaper of Škoda's trade unions, in February about 400 units are produced daily. Full capacity, which is 1,500 transmissions a day, is planned to be reached in October.

Benet Automotive plans new R&D centre

Benet Automotive s.r.o. will build a new Research and Design Centre in Mladá Boleslav - Čejetice. The new centre will be built next to the existing facility, which is no longer sufficient. The new building will have a covered space of 4,176 sqm and will be able to accommodate up to 76 employees. Construction is set to begin 2013 and will be finished in 2014.

Hungary

New Opel engine plant in Szentgotthárd to be expanded

Adam Opel AG plans to expand the newly built, flexible **Opel Szentgotthárd Kft.** engine plant in Szentgotthárd. The plans were announced by Opel Vice President Government Relations **Joachim Koschnicke** and Hungarian Prime Minister **Viktor Orbán**. Opel will invest an additional €130 million in its new facility, where series production of the new-generation 1.6-litre, four-cylinder, SIDI (spark ignition direct injection) ECOTEC Turbo engines started last week. "Opel is in the midst of a product offensive: 23 new models and 13 new engines will be launched by 2016 and many of these engines will be built in Hungary," said Koschnicke. With the additional investment, the plant will be enlarged by 1,600 square meters, over 80 new machines will be installed and the new facility's annual production will be increased by 100,000 engines. Including this expansion, total Opel investment in Hungary will be approximately €1.4 billion and the new engine plant's annual production capacity will increase to 600,000 engines. Following the volume production start of the 1.6 litre gasoline engines, the new 1.6 litre diesel units will follow later this month.

Kazakhstan

Toyota Fortuner to be assembled in Kazakhstan

Toyota Motor Corporation signed a Memorandum of Understanding with the government of the **Republic of Kazakhstan** to begin local CKD assembly of the **Toyota Fortuner SUV**. Assembly of the vehicle will begin in the spring of 2014 at a facility of **TОО SaryarkaAvtoProm** located on the territory of **AgromashHolding** in Kostanay at a planned pace of approximately 3,000 units per year. **Toyota Tsusho Corporation** will be responsible for the shipment of knockdown kit parts to Kazakhstan. A final contract will be signed later this month.

Moldova

Sumitomo Electric Wiring Systems mulls plant in Moldova

Japanese supplier **Sumitomo Electric Wiring Systems (SEWS)** is considering a plant for the production of wiring harnesses in Moldova. According to a press release by the **Ministry of Economy**, the company's representatives visited several industrial sites in Chişinău, Bălţi, Străşeni and Soroca.

Poland

Fiat plans to produce the next-generation Fiat 500 exclusively in Poland

Fiat S.p.A. plans to concentrate global production of the next-generation **Fiat 500** at the **Fiat Auto Poland S.A.** plant in Tychy, Automotive News Europe reports quoting three unnamed sources. The next-generation 500 is due in 2015. Currently Fiat 500 cars destined for North America are manufactured at a Chrysler plant in Toluca, Mexico. Last year the Toluca plant manufactured about 82,000 Fiat 500s.

Romania

Dacia celebrates production of the 400,000th Duster

The 400,000th Duster has come off the assembly line of the **Automobile Dacia S.A.** plant in Mioveni. Dacia unveiled the Duster at the Geneva auto show in March 2010. Currently the Duster accounts for 45 percent of Dacia's production at the Mioveni plant.

Michelin buys land in Zalau

Michelin Romania S.A. has purchased 20 hectares of land for €1.6 million, near the city of Zalau, in order to expand its plant, local media reports.

Russia

Mitsubishi imports Outlander from Japan, despite local assembly

OOO Rolf Import, the Russian distributor of **Mitsubishi** vehicles, still imports the new generation of Outlander from Japan, though CKD assembly of this SUV was launched by **OOO PCMA Rus** last November. This was stated by **Andrey Pankov**, CEO of Rolf Import, to Avtostat agency. According to Pankov, three versions, including the Inform 2WD CVT, Invite 2WD CVT and Invite 4WD CVT are still being sourced from Japan. Last year, there were 11,873 new-generation Outlander models sold, which were imported from Japan. Vehicles made in Kaluga arrived to dealers in January. Additionally there were 9,532 units of the previous generation Outlander XL sold in 2012.

CLN to produce pressed parts in Togliatti

Italian supplier **CLN S.p.A.** plans to establish production of pressed parts in Togliatti, the Kommersant business daily reports. The newspaper quoted **Igor Zhukov**, financial director of **MW Eurodisk**, a wheel manufacturer, which belongs to the CLN Group. According to Zhukov, CLN has found a supplier as its partner in Togliatti. CLN will provide technology and equipment, while its local partner will provide the production premises. Zhukov did not provide the name of the partner company. In the first stage CLN is expected to invest €1 - 2 million in the first production line. The total volume of investment will be €50 million, Zhukov was quoted as saying. CLN plans to produce large stamping parts such as body parts, roof, hood and so on. Plans call for the production of 12 different parts. While Zhukov declined to identify the company's client, the newspaper speculates the parts may be destined for ZAO GM-AvtoVAZ.

Russia reports higher car imports

Last year, 1,076 million passenger cars were imported to Russia, which is an increase of 9.35 percent compared to 2011. These figures were reported by Prime agency, citing information from the **Federal Customs Service**. The total value of these transactions amounted to USD 20,216 billion. There were about 109,000 cars imported from CIS countries, valued at USD 791,1 million, while there were about 967,200 cars imported from elsewhere, valued at USD 19,425 billion.

Nokian Renkaat to further increase capacity in Vsevolozhsk

Nokian Renkaat Oyj will increase capacity of its new plant in Vsevolozhsk this year. The company commissioned a new plant next to the current one in Russia in 2012, which will increase the annual car tyre capacity further by 5 to 6 million tyres. The first line in the new plant commenced production in June 2012, and the second line (line 12) will come on stream in the first half of 2013. At the end of 2012 the annual maximum capacity in Vsevolozhsk was approximately 14 million tyres. Capacity will increase further as machinery for line 13 will be installed during 2013. Nokian Renkaat's budget for total investments in 2013 is €144 million. €83 million will be invested in Russia.

Russia/Turkey

EBRD lends €150 million to Gestamp

An **EBRD** long-term loan of €150 million will back the investments of **Gestamp Automoción S.A.** in Russia, Hungary, Poland and Turkey. It is aimed at upgrading Gestamp's plants in these four countries. Gestamp plans to invest €255 million in capital expenditure in these four countries up to 2016. Highlighting the EBRD's role in advancing the long-term funding such industrial investments require, the package includes a €50 million loan which will provide for a bullet repayment at the end of seven years as well as a seven-year A loan of €60 million with a two-year grace period under an EBRD A/B loan structure. The remaining €40 million has been syndicated to three international banks under a five-year EBRD B loan with **UniCredit Bank Austria AG** taking a €20 million participation, the Spanish subsidiary of France's **Société Générale group** taking €13 million and Spain's **Banco Bilbao Vizcaya Argentaria S.A.** taking €7 million. Over 80 percent of this €150 million funding is earmarked for investments in Russia and Turkey. In Russia, where Gestamp has plants in Kaluga, St Petersburg and Togliatti, it will invest further in robotics, laser equipment and other advanced technologies. The project should also provide an incentive to Russian steel producers to specialise in the high-quality steel necessary to meet carmakers' specifications. In Turkey, where the company operates two plants in Bursa and one in Gebze, it will invest in new hot stamping lines, new presses and welding robots for the **Renault Clio** and **Ford Transit** projects, as well as a new assembly line for a vehicle based on the **Ford Fiesta**.

Serbia

Fiat to launch production for U.S. market in March

Fiat Automobili Srbija d.d. will launch volume production of the American version of the **Fiat 500L** in March, according to the company's Managing Director **Antonio Cesare Ferrara**, who was quoted by the Tanjug news agency.

Johnson Controls inaugurates two plants in Kragujevac

Johnson Controls Inc. has inaugurated two plants in Kragujevac. Both factories have already been producing parts for the **Fiat 500L** since 2012. Johnson Controls manufactures complete seats for the Fiat 500L in a just-in-time (JIT) plant at the **Grošnica Supplier Park**. The company also supplies complete interiors, including door panels, instrument panels, floor consoles and rear quarter panels through a joint venture with **PCMA**, a division of **Magneti Marelli S.p.A.**, which is located within the **Fiat Automobili Srbija d.d.** facility.

Slovakia

PSA plans stoppage days for March

PCA Slovakia s.r.o. will halt production at its plant in Trnava for some days in March again. Plans call for four stoppage days next month, including three Fridays and one Thursday.

Turkey

Tofaş plans two new cars

Tofaş Türk Otomobil Fabrikası A.Ş. is working on two new passenger cars which may be unveiled by 2015, Tofaş CEO **Kamil Başaran** told reporters in comments. "We are working on a technical study of two passenger car projects," Başaran said. "I can confirm one is a sedan car in the B segment. At the same time, we are working on a second car project. Hopefully we can make a statement before July and give detailed number for volumes." The second car is expected to be a hatchback.

Tofaş confirms Doblò production for the U.S. market

Tofaş Türk Otomobil Fabrikası A.Ş. has confirmed a **Ram**-badged version of the **Fiat Doblò** destined for the U.S. market. "Tofaş has completed its study for plant and research and development for Doblò exports to North America," CEO Kamil Başaran said in comments. "We are planning to export the Doblò at the end of 2014. We can expect 20,000 units once we start," he said. The Ram project is delayed. Original plans called for start of volume production of the Ram vehicles in early 2013.

Ukraine

Sumitomo Electric Bordnetze plans to set up shop in Chernivtsi

TOV SE Bordnetze - Ukraina, which produces wiring harnesses for **Volkswagen AG** in Ternopil, will open its new production site in Chernivtsi in June. The project was outlined in a meeting between **Eckhard Bistram**, Managing Director of SE Bordnetze - Ukraina, and **Mikhailo Papiev**, Governor of Chernivtsi region. The meeting was also attended by other SE Bordnetze - Ukraina managers. Production will take place in the premises of the **Quartz** factory. According to Bistram, at the first stage there will be about 400 people employed on a rented space of about 6,000 sqm. Later, employment will be increased to 1,500 people. This is not the first time wiring harnesses have been produced in Chernivtsi. Back in 2008, **Sumitomo Electric Wiring Systems (SEWS)** launched production of wiring harnesses for **Nissan** vehicles, but the operations were halted in 2009 due to the economic crisis.

INTERVIEW

with Aleš Bratož, Chairman, Revoz d.d.

“This year’s production figures will be even lower”

Last year, Revoz produced 130,947 cars, down 24.8 percent from 2011. A wholly owned subsidiary of Renault, the company is located in Novo Mesto, in Slovenia, and builds the Twingo, Clio II and Wind models. While production of the Clio II for European markets has been phased out last year, the car is still manufactured for some African countries. Currently Revoz is working in collaboration with Daimler on Project Edison, which is aimed at producing the successor to the Renault Twingo and also at a four-door version of the smart.



Mr. Bratož, how was 2012 for Revoz and what do you expect this year?

Last year we had to adapt the factory to lower customer demand, because sales of our cars were reduced in our major markets. We were working two and a half shifts at the beginning of the year and due to lack of customer orders we switched in May to two shifts. That was not sufficient and we needed to find another way to cope with the lack of orders. We have signed an agreement with trade unions that allows us to go through this period. We produced almost 131,000 cars in 2012. This year’s production figure will be even lower because of the fact that we stopped production of Clio II for European markets in last November and we will maintain work in two shifts this year as well.

What are the largest export markets for cars made at Revoz?

Our largest export market is still France, it is by far the most important market for our cars. France is followed by Germany, Algeria, the Netherlands and Italy. In Slovenia we sold about 900 cars, which is our daily production in three shifts.

Revoz stopped producing the Clio II for Europe, but it is still manufactured for Africa. What are the main markets in Africa?

The main market for the Clio II in Africa is Algeria, followed by Morocco.

Are the preparations for Project Edison progressing as planned?

We are going on with the speed that is predicted in our planning. Works are going well. We are finishing all the construction work and we will soon start with process realisation and with further phases.

Which part of the plant’s adaptation for Project Edison was most significant in terms of construction works needed?

It is the new welding shop which will replace the current one.

How many employees does Revoz have now and can you compare the figure to the situation a year ago?

We have approximately 2,070 employees. A year ago, when we worked in two and half shifts, it was about 300 more than today.

How satisfied are you with the labour law in Slovenia?

We are just beginning to discuss in Parliament about a modification necessary to adapt our legislation to the modern way of working. There are, of course, different points of view on our side when compared to the labour unions but I hope that the change, that will be introduced, will allow us to be more flexible than we are today, to allow us to be able to be more competitive.

So the main target from Revoz's point of view is more flexibility?

My target is flexibility, but of course there are some questions about the status of temporary workers. We need to maintain this kind of workers, because of the fact that the car industry has its ups and downs and we need to be able to adapt to the market situation.

Croatia will join the European Union in the near future. What does it mean for Revoz?

For us, it is a good thing. Regarding suppliers that are coming from Croatia, today we must deal with custom duties. Custom duties are not a problem itself, the problem is the border. We hope that Croatia's accession to the European Union will shorten the time that is needed to bring parts from Croatia to our plant which will result in the reduction of inventory levels which is important.

Interview conducted by Peter Homola

THIS WEEK ON CEAUTO.CO.HU

New car market in Bosnia: 537 new light vehicles were registered

More details: <http://ceauto.co.hu/news/new-car-market-in-bosnia-january-2013-figures-are-now-available>

New car market in Russia: 162,077 cars and light trucks were sold in January

More details: <http://ceauto.co.hu/news/new-car-market-in-russia-january-2013-figures-are-released-0>

New car market in Slovenia: There were 4920 new cars sold in Slovenia during the first month of 2013

More details: <http://ceauto.co.hu/news/new-car-market-in-slovenia-january-2013-figures-are-now-available>

New car market in Lithuania: There were 1,157 new light vehicles registered in Lithuania during January, 2013

More details: <http://ceauto.co.hu/news/new-car-market-in-lithuania-january-2013-figures-are-released>

New car market in Estonia: There were 1,994 new light vehicles registered in Estonia during January, 2013

More details: <http://ceauto.co.hu/news/new-car-market-in-estonia-january-2013-figures-are-released>

UPCOMING EVENTS

» **FEBRUARY, 19:** MOSCOW, RUSSIA: AUTOMOTIVE MARKET IN RUSSIA - RESULTS, TRENDS AND FORECASTS

http://www.autostat.ru/pages/meropriyatiya/nashi_konferencii/feb13/

» **FEBRUARY, 20:** SZÉKESFEHÉRVÁR, HUNGARY: SERBIAN-HUNGARIAN AUTOMOTIVE TRADE FAIR

<http://www.majosz.hu>

» **MARCH 5-6:** GENEVA INTERNATIONAL MOTOR SHOW (PRESS PREVIEW DAYS)

<http://www.salon-auto.ch>

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