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NEWS

International

Production of Mercedes-Benz G-Class at Magna Steyr extended through 2022

Magna International Inc. announced that the contract with **Daimler AG** to manufacture the **Mercedes-Benz G-Class** at its **Magna Steyr Fahrzeugtechnik AG & Co KG** facility in Graz, Austria, has been extended through 2022. The Mercedes-Benz G-Class has been rolling off the production lines at the Graz plant for 35 years. In 2013 the 63,000 square-metre G-Class production area was completely overhauled and modernised. Current manufacturing volume for the vehicle is at its highest level. Frames for the G-Class are manufactured at Daimler's subsidiary **Starkom d.o.o.** in Maribor, Slovenia. Magna Steyr is also sourcing other G-Class parts from Eastern Europe. In addition to the production in Austria, CKD assembly of the G-Class is in preparation in Algeria.

Croatia

König Metall opens parts plant in Písarovína

German supplier **König Metall GmbH & Co. KG** has opened its Croatian subsidiary **Kralj Metala Kovnica d.o.o.** punching and pressing plant for production of metal parts destined for the automotive industry in the Enterprise Zone in Písarovína (Zagreb county). Kralj Metala Kovnica use three modern hydraulic presses manufactured by **Schuler** and **Galdabini** with the force of pressing up to 630 tons as well as **Müller Weingarten** eccentric press of 250 tons. König Metall also operates the tool making company **Kralj Metala Alati d.o.o.** Both companies were established on the basis of the company **Končar - Alati d.o.o.**, which was part of the **Končar - Elektroindustrija d.d.** König Metall's investment has three phases, **Daniel Martinko**, Vice Director of both companies, told local media. The first phase was finalised with the opening of a plant for part production. The second phase foresees the construction of a hall for tool production and the third phase, which is scheduled for 2016, calls for the capacity increase of the part production facility. According to Martinko, the investment for the first phase was some HRK 100 million (€13 million), whilst the total investment for the project is expected to reach €22 million. Currently the tool company employs 62 people, while the new parts facility launches production with 15 persons and is expected to have 40 workers at the end of the year. Up to 180 people are to be employed by both companies in the future. About 85 percent of the parts will be destined for **Daimler AG**. The portfolio will mainly include components for trucks, but parts for passenger cars will be manufactured as well.

Czech Republic

Metaldyne to double production by 2020

U.S. supplier **Metaldyne LLC** plans to double output at its Czech factories by 2020. This year the company expects to reach a turnover of more than CZK 1.4 million at the plants in Oslavany and Zbýšov, **Sebastian Wagner**, Head of the Czech subsidiary, told the news agency ČTK. Plans for 2020 call for a turnover of CZK 3 million. Currently Metaldyne employs 340 workers in the Czech Republic, including 240 persons in Oslavany and 100 in Zbýšov. The factory in Oslavany focuses on the production of pressed parts and the site in Zbýšov on machining. The number of employees is expected to double as well. Recently Metaldyne has installed a new large-scale **Schuler** press in Oslavany. The press with a press force of 2,000 tons and the annual capacity of about 6 million pressed parts represents an investment of CZK 150 million.

Hungary

Trial production is under way at Takata

Work at various departments of the new **Takata Safety Systems Hungary Kft** plant in Miskolc has already been launched. It seems the official inauguration of the plant will only be held next year.

Parafix expands in Budapest

Parafix Hungária Kft has invested close to HUF 100 million at its Budapest plant, the company announced. The British adhesive specialist works for the electronics, automotive and lighting industries with clients

including **Suzuki**, **Bosch** and **Flextronics**. Between 2001-2014 it operated in rented premises, but earlier this year they acquired the property where new machinery has been installed.

Bosch Engineering Center Budapest reports 1,100th employee

The **Bosch Engineering Center Budapest** welcomed its 1,100th employee. 100 engineers have joined the center in last five months. Besides the new recruits, Bosch is adding new infrastructure to the Engineering Center Budapest. "Last year we opened the first phase of the new central complex, and the second phase will be ready by 2015," said **Oliver Schatz**, Senior Vice President Technical at **Robert Bosch Kft**. "When the long process of building comes to an end next year, the engineers will be working in an inspirational high-tech environment."

Macedonia

Kromberg & Schubert may build another plant in Bitola

German supplier **Kromberg & Schubert GmbH & Co. KG** may erect a second plant on the site of its Macedonian subsidiary **Kromberg & Schubert Macedonia DOOEL** in the Zhabeni Industrial Zone in Bitola, Nova Makedonija reports. The possibility of the new investment was announced by the Bitola Mayor **Vladimir Taleski** after meeting with the new German Ambassador to Macedonia, **Christine D. Althaus**. "These days, I received information that Kromberg & Schubert is seriously considering to start building a new factory soon" Taleski. Currently Kromberg & Schubert employs about 2,200 workers at its factory for the production of wiring harnesses in Bitola. The number is expected to grow to 2,500 by the end of this year. If a second plant will be constructed, it is expected to employ at least 2,000 people.

Poland

Volkswagen to construct new welding shop in Poznań

Volkswagen Poznań Sp. z o.o. plans to adapt its existing plant in Poznań-Antoninek for the MQB platform and to construct a new welding shop at the site. The new hall will be located at a place which is currently used as a parking for cars. Because of the expansion, the company has to close an existing public road which is located between the current plant and the parking lot. Volkswagen is committed to the investment of about PLN 18.5 million in a construction of an alternative public road connection to a neighbouring residential area including connected infrastructure. "I can not yet say what will be the value of the investment - it's too early. We have time to make those decisions" **Jens Ocksen**, head of Volkswagen Poznań, told local media. The company has not provided an exact timing for the construction of the new hall.

Fiat: No new information on future production portfolio

Sergio Marchionne, CEO of **Fiat Chrysler Automobiles**, was not able to provide any new information on the future model portfolio for the **Fiat Auto Poland S.A.** plant in a recent interview with the Polish newspaper Rzeczpospolita. "I am today not able to fight on all fronts. At the moment I can say: Polish Fiat factory is safe. A specific answer to your question I will be able to provide over the next 36 months" Marchionne told Rzeczpospolita when asked about the Polish plant.

Tenneco to start production in Stanowice next May

Tenneco Inc. plans to launch production at its new plant in Stanowice near Czerwionka-Leszczyny in May 2015. Construction of the factory started in summer. Plans call for the construction of two halls with about 10,000 square metres each and an office building. Initially Tenneco plans to employ some 280 people in Stanowice. The number of workers is expected to triple in the future. The new facility in Stanowice will be Tenneco's fourth plant in Poland.

VOSS Automotive inaugurates new hall in Legnicke Pole

VOSS Automotive Polska Sp. z o.o., the subsidiary of the German company **VOSS Automotive GmbH**, has opened a new 12,000 square metre hall at its site in Legnicke Pole. The company, which operates in Legnicke Pole since 2004, employs more than 760 people. The plant produces SCR, fuel, pneumatic and hydraulic lines.

Dębica to phase out production of tyres for agricultural machinery

Polish tyre manufacturer **Fabrika Oponiarska Dębica S.A.**, which is owned 81.396 percent by **Goodyear S.A.**, will phase out the production of tyres for agricultural machinery by the end of 2014. Currently about 80 percent of that kind of tyres manufactured by Dębica are destined for Goodyear. Sales of tyres for agricultural machinery account for only about 1.8 percent of Dębica's total sales. The company mainly produces tyres for cars and commercial vehicles under **Goodyear, Dunlop, Fulda** and **Dębica** brands.

Romania

Celestica to expand activities to automotive sector

Canadian company **Celestica Inc.**, which operates its Romanian plant **Celestica S.R.L.** in BorȘ near Oradea, north-western Romania, plans to increase its portfolio by expanding into the solar energy sector and the automotive industry, **Cristian Gulicska**, general manager of the Romanian company, said at the **Foreign Investors Summit (FIS)** organised by Business Review magazine. Currently the global customer portfolio of the electronics manufacturer Celestica spans the enterprise, communications, consumer, aerospace and defence, industrial, alternative energy and healthcare end-markets. The capabilities of the Romanian site include printed circuit assembly (PCA), systems assembly, systems integration and direct shipments to European markets. "We are increasing the client base, more on the diversification phase," Gulicska is quoted as saying by the Business Review. "We were focusing more on telecommunications, servers and now we want to diversify the portfolio of clients towards green technology, we want to develop in the area of solar energy and automotive. We did not have it until now and we plan to enter the automotive sector."

Schlemmer breaks ground for plant expansion in Satu Mare

German supplier **Schlemmer GmbH** celebrated the ground for the second major expansion of its plant in Satu Mare. The company plans a significant expansion of production capacity and the product portfolio starting from March of 2015. Schlemmer Romania currently manufactures some 70 million metres of corrugated tubing a year for Schlemmer's two major business segments automotive and industrial applications. "In this second expansion since the opening of the plant in 2004, we are constructing a further production hall of

about 4,000 square metres in size. In future, **Schlemmer Romania SRL** will also manufacture injection mould products here; moreover, production capacity for corrugated tubes will increase once again" said Schlemmer's CEO **Josef Minster**. "By expanding our plant, we are aiming to double turnover in Satu Mare" said CFO **Christian von der Linde**. If everything goes according to plan, all the outside plants will be ready before the start of winter, and the production technology can be installed in the new hall during the winter months. In 2015 the number of employees in Satu Mare will also grow from the current 120 to 210. In the past few months, Schlemmer had already brought its unique mobile factory into use in Romania to compensate for production bottlenecks. Housed in a special container, the wholly self-functioning extrusion plant can be loaded onto a lorry, meaning it can produce goods anytime, anywhere. For an average corrugated tube with a production of 22 metres a minute, the mobile plant outputs up to 62,000 metres a day in three-shift operation. "After the current expansion, we will have used only half of the 2 hectares of land that we have purchased - a lack of space will thus not be an obstacle to a third expansion in future" said Josef Minster.

Russia

Russian government may extend scrappage incentive

Denis Manturov, Russia's Minister of Industry and Trade, has said that the government may extend its cash-for-clunkers programme in 2015. The government had originally intended to end the programme by the end of 2014. According to Manturov, given the increasing rate of sales, the main goal of the programme to realize 170,000 vehicles will be reached ahead of time, which was originally set at the end of the year.

AvtoVAZ suspends taking of orders for the scrappage programm

OAo AvtoVAZ temporarily suspended the acceptance of applications for the scrappage programme, while continuing to ensure the already collected orders. Number of people willing to buy **Lada** cars under the scrappage programme exceeded 70,000 by the 20th of October. AvtoVAZ sold more than 40,000 cars to customers using the scrappage fee programme until the 19th of October.

Porsche Engineering may develop engine for Project Kortezh

GNTs RF FGUP NAMI, the Russian state-owned R&D institute which is developing vehicles for the **Project Kortezh**, plans to sign an agreement for the development of a V12 engine with **Porsche Engineering Group GmbH**, **Rusky Avtomobil** reports. "The decision has been made, it is just necessary to settle various formalities" **Rusky Avtomobil** writes. According to the source, plans call for a turbocharged V12 engine with a displacement between 6 and 6.6 litres and about 800 hp. Project Kortezh includes the development and production of limousines, vans and SUVs based on a modular platform and mainly destined for high ranking politicians.

Rosneft and Pirelli to expand cooperation in the area of synthetic rubber with technological partner

OAo NK Rosneft's Head **Igor Sechin** and **Pirelli & C. S.p.A.'s** Chairman **Marco Tronchetti Provera**, in the context of the agreement signed last May for the production and supply of synthetic rubber in Nakhodka, signed a new Memorandum of Understanding in the area of R&D, producing and shipping of synthetic rubber

in Nakhodka in the framework of the **ZAO Vostochnaya Neftekhimicheskaya Kompaniya (VNKhK)** or **Far East Petrochemical Company (FEPCO)** petrochemical cluster. Within the signed memorandum, Rosneft and Pirelli specified the requirements for the engagement of a third party acting as a technological and production partner in the rubber sector, including Styrene-Butadiene Rubber (SBR). Plans call for the identification of a new technological partner within three months. Under the terms of the MOU, Rosneft and future partner will analyse the ways in which the joint production of synthetic rubber could be launched in Nakhodka, while Pirelli will collaborate in the related Research and Development activities. For Pirelli, the MOU also includes the possibility of entering into a long-term supply agreement to purchase the synthetic rubber jointly produced by Rosneft and the new technological partner being identified. Pirelli is expected to use the synthetic rubber sourced from Nakhodka, among other things, for its own tire production facilities in the Asia-Pacific region. Both partners show intention to develop research, design and experimental projects in this area in Nakhodka. The construction of a modern petrochemical and refining structure in the Russian Far East is one of Rosneft's leading projects. Its execution is being led by the Far East Petrochemical Company. The plant with a designed capacity of 30 mtpa of hydrocarbon refining is planned to be located in the Partizan district of the Primorsk Region. This project will lay the foundation of the Far East petrochemical cluster formation.

General Motors to phase out sales of Chevrolet Malibu

General Motors Co. will phase out sales of the **Chevrolet Malibu** in Russia. Malibu cars destined for the Russian market were assembled from SKD kits at **OOO Avtotor Holding** in Kaliningrad.

Dongfeng Yangtse to assemble buses in Saratov Region

Chinese bus manufacturer **Dongfeng Yangste Motor (Wuhan) Co. Ltd.**, which is headquartered in Wuhan, plans to establish a joint venture for the assembly of city buses in the Saratov Region. An agreement has been signed between the **Dongfeng Yangste Hongkong Ltd.** and the Saratov Region. Plans call for a joint venture with the company **OOO PK Signal-Mash**. The vehicles are to be assembled at Signal-Mash's site in Krasnoarmeysk. Initial plans call for the investment of more than \$100 million and for the assembly of up to 500 buses per year.

Sollers to assemble about 70,000 cars in Vladivostok this year

OOO Sollers expects to assemble about 70,000 **Mazda**, **SsangYong** and **Toyota** cars at its joint ventures **OOO Mazda Sollers Manufacturing Rus** and **OOO Sollers-Bussan** in Vladivostok, the company told Russian news agency TASS.

Serbia

Le Bélier plans new investment in Kikinda

French supplier **Le Bélier S.A.**, manufacturer of cast aluminium parts, plans a new investment at its Serbian foundry **Le Belier Kikinda Livnica d.o.o.** in Kikinda connected to the production of parts destined for **Renault S.A.** Plans call for the investment of €12 million and creation of 70 new jobs. The new order is expected to

bring €60 million in annual sales. The plans were revealed at a meeting between **Philippe Dizier**, CEO of Le Bélier, and representatives of the **Chamber of Commerce and Industry of Serbia (Privredna Komora Srbije)**. Le Bélier, which opened its plant in Kikinda in 2003, currently employs about 560 people in Serbia.

Serbia/Bosnia and Herzegovina

Prevent still interested in FAP's foundry in Prijepolje

Supplier **Prevent** is still interested in the privatisation of the Serbian foundry **FAP Livnica** in Prijepolje. Prevent is trying to accelerate the privatisation process. The management of the Bosnian Prevent subsidiary **Prevent BH** recently paid a visit to the Serbian location in order to meet **Emir Hašimbegović**, the mayor of Prijepolje, **Rasim Ljajić**, Serbian Deputy Prime Minister and Minister for Trade, Tourism and Telecommunications, **Zoran Zaković**, Director of **Fabrika Automobila Priboj (FAP)** and **Željko Ružić**, Director of FAP Livnica. "Prevent is already more than a year in active contact with the relevant authorities of the Republic of Serbia in connection with an investment in FAP Livnica. With today's visit we would like to once again send a clear message that Prevent has serious plans for investment in the area of metal and upholstery" said **Čazim Hamzić**, Board Member of Prevent BH. "Prevent is more than willing to build partnerships and active co-operation to make this investment completed to mutual satisfaction. We expect the same from the competent institutions, and we now confirm mutual understanding and have been assured by all parties presented that the issue of this investment will be solved as soon as possible" Hamzić added. According to Hamzić, after taking over FAP Livnica Prevent plans to keep current production program and the existing employees and create new jobs. Minister Ljajić pointed out that Prevent BH is ready to invest €11 million, take over the 112 current employees and create 400 additional jobs.

Serbia/Russia

Russia may agree on export quota for Serbian-made Fiat cars

The question of an export quota for **Fiat 500L** cars manufactured at **Fiat Automobili Srbija d.o.o.** in Kragujevac to avoid high customs duties was among the issues discussed during the visit of Russian President **Vladimir Putin** to the Serbian capital Belgrade. The existing free trade agreement between Serbia and Russia excludes certain products including cars. Serbia has been repeatedly trying to change this situation but until now without success. "I am very happy for the opportunity to discuss all the topics you suggested within the context of the events to mark the 70th anniversary of the liberation of Belgrade, including possible supply to the Russian market of automotive products manufactured in Serbia in collaboration with Fiat company. Given our good relations with Italy and Fiat, as well as our very warm, allied, close relations with Serbia, I think we could agree on a certain quota for supplying these vehicles to the Russian market" Putin said in his speech in Belgrade. "The good news for the people of Serbia is that President Putin agreed to my request to export a certain quota of Fiat vehicles made in Kragujevac to Russia," Serbian Prime Minister **Aleksandar Vučić** said during Putin's visit to Belgrade. He gave no further details on the size of the potential quota or whether cars would be included in the existing free trade agreement. However, given the current decline on the Russian market and the weak position of the Fiat brand in Russia, it remains unclear whether a possible quota would result in a real boost for Fiat's export from Serbia.

Turkey

Hyundai Assan launches production of new i20

Volume production of the new-generation **Hyundai i20** is underway at the **Hyundai Assan Otomotiv Sanayi ve Ticaret A.Ş.** plant. Sales in Europe will start later this year.

Turkey/Czech Republic

Former Hyundai Europe COO Rushworth: Production of old i20 was phased out too early

Production of the previous-generation **Hyundai i20** at the **Hyundai Assan Otomotiv Sanayi ve Ticaret A.Ş.** plant in Turkey was phased out too early, **Allan Rushworth**, former Senior Vice President and COO of **Hyundai Motor Europe GmbH**, who left for a new position at the **Nissan Motor Co. Ltd.** this month, said during his last days at Hyundai. "We will not have enough of the previous-generation i20! In my personal opinion, we have phased out the production of the vehicle too early" Rushworth said when asked about the switch from the old to the new model. "My desire would have been a smooth transition, in which the models would be sold parallel for a (certain) time" he said. "However, it is not possible for logistics reasons to produce both vehicles parallel in Turkey". According to Rushworth, the new i20 will come in reasonable quantities to the market only in January 2015, in some markets the model will start only in March. Rushworth also admits, that the competition between the new i20 and the i30, which is manufactured at **Hyundai Motor Manufacturing Czech s.r.o.** in the Czech Republic, may be more intensive. "It could be that the i20 will put the i30 under pressure at the lower end, at least until the model refreshment in the first quarter of 2015. Then a lot will happen around the i30," said Rushworth.

Ukraine

Bogdan to pay UAH 388 million to Ukreximbank

According to the decision of the Economic Court of Kiev, **Bogdan Motors** must pay a debt of UAH 388.15 million to the **Ukreximbank**, liga.net reports. The debt was established in 2005. The body of the loan is UAH 313 million, the rest includes the interest, penalties and fees. Maturity of the loan expires only after a year, but because of late payments, the bank insists to receive the debt back now. During a hearing representatives of Bogdan Motors acknowledged the debt, but asked for a delay of 10 years until 2024. The company referred to the difficult economic situation in Ukraine and the war in the East, which negatively affect the car sales. "Captured showrooms with cars in Simferopol and Gorlovka. Dealerships in Donetsk and Lugansk regions do not work. Due to stop of sales production also stops" Bogdan representatives in the State Register of Judgements are quoted according to liga.net. At the trial, a company representative acknowledged that the amount of liabilities of the corporation exceeds the value of assets that do not allow to satisfy the claims of creditors, even in the event of the transfer of assets. In addition, all liquid assets is pledged. Money in the accounts is also not enough to return the debt, said Bogdan Motors lawyers in court. To avoid bankruptcy, the company insisted on instalments, which, in its view, would eventually repay the debt, liga.net reports. However, it is not clear how Bogdan could repay the debts. The company is currently only manufacturing some buses in very small volumes at its plant in Lutsk. The CKD car plant in Cherkassy, which has capacity for 120,000 cars per year, has not been producing for several months.

NEWS FROM MIDDLE EAST AND AFRICA

Algeria

Haima resumes sales in Algeria

Chinese car brand **Haima** is again available on the Algerian market. Haima's new importer **SARL Akbou Auto** celebrated the brand's comeback. **Fred Huang**, General Manager of **Haima Automobile International**, joined the event. Currently five models are offered. Some 4,800 Haima cars, which were sold by the previous distributor, are on the streets of Algeria.

Iran

Iran Khodro launches production of new pickup

Iran Khodro Industrial Group (IKCO) launched production of its new pickup dubbed **Iran Khodro Karya**. The vehicle is also known under the codename PU1, which was also used for previous prototypes with different design. The pickup is derived from the **Peugeot 405** platform and powered by a 1.7 litre engine. It is 4,680 mm long and can carry a maximum load of 760 kg. Iran Khodro Karya is manufactured at the **Iran Khodro Tabriz** plant in Tabriz. Iran Khodro Tabriz also produces the current Iran Khodro Bardo pickup, which is based on the old Paykan.



Iran Khodro: Renault Clio and Captur to be sold as CBU import at the beginning

The **Renault Clio IV** and **Captur** models, which were presented at the **Iran Khodro Industrial Group (IKCO)** stand at the 18th International Automobile and Spare Parts Exhibition of Tabriz last week, will initially be sold as CBU imports in Iran with local assembly to be launched later. "We believe that CBU imports are against national benefit and Iran Khodro is not following such a goal. But in order to complete our offering and launching products to market a limited number of Clio and Captur will be launched as CBU. Soon, production line of these products will be built" said IKCO's President and CEO **Hashem Yekehzare**.

UPCOMING EVENTS

- » **October, 29–November, 2:** BUCHAREST, ROMANIA: AUTOEXPOTEHNICA, 2014
<http://www.autoexpotehnica.ro/home>
- » **November, 5–7:** BUDAPEST, HUNGARY: AUTOMOTIVE HUNGARY, 2014
<http://automotivexpo.hu/>
- » **November, 25–26:** BUDAPEST, HUNGARY: TRANSLOG CONNECT CONGRESS
<http://www.translogconnect.eu/>

2015.

- » **March, 5–15:** GENEVA, SWITZERLAND: 85TH MOTOR SHOW
<http://www.salon-auto.ch>
- » **April, 9–12:** POZNAN, POLAND: MOTOR SHOW
<http://www.motorshow.pl>
- » **May, 28–1, June:** BRNO, CZECH REPUBLIC: AUTOSALON BRNO
<http://www.bvv.cz/en/autosalon-brno/>

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