

## **AUTOMOTIVE MANUFACTURING DEVELOPMENTS IN CE AND SE EUROPE – 2010**



### **POLAND**

#### **Opel to invest 120 million EUR at Gliwice**

Opel will invest over 120 million EUR in order to launch two new versions of the Astra IV at the General Motors Manufacturing Poland plant in Gliwice.

In September 2010, the producer presented at the Gliwice plant a new Opel Meriva, as Poland launched promotional campaign of this model.

#### **Toyota hits 5 million output in Walbrzych**

Toyota's operations in Poland include two manufacturing sites: Toyota Motor Industries Poland (TMIP) and Toyota Motor Manufacturing Poland (TMMP). TMMP has recently produced its 5 millionth unit in the Walbrzych plant. TMMP production capacity has reached over one million units per year (360,000 engines and 720,000 transmissions), making TMMP Toyota's largest unit production facility outside Japan.

In August 2010, TMIP officially started the production of a new 1.4 litre diesel engine. The engine will be supplied to Toyota's manufacturing plants in the UK, France, Turkey and South Africa. TMIP started the operation in March 2005.

Up to date Toyota has invested over 760 million EUR and has around 2,900 employees in Poland.

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**PGW to open facility in Sroda Slaska**

Pittsburgh Glass Works (PGW) will expand in Europe with the construction of an automotive glass manufacturing facility in Sroda Slaska, Poland, in order to provide value-added products to its European customers.

The production at the new PGW facility is expected to begin in early 2012. The plant will produce Sungate and Sungate EP infrared reflective glass, Solextra blue glass and SoundMaster enhanced acoustic glass windshields.

The new PGW site in Poland will also allow for the future addition of additional windshield capacity and a tempering line for side windows and other products.



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## **CZECH REPUBLIC**

### **Czech auto vehicle production records nine-month boost**

According to the Automotive Industry Association, the production of the auto vehicles in the Czech Republic in the first nine months of 2010 recorded 807,608 units, up by 12.88% compared to the similar period of 2009.

The production of the auto vehicles in the Czech Republic in the first nine months of 2010 included: 803,846 cars and LCVs, 934 commercial vehicles, 1,819 buses, 477 motorcycles, 248 trailers and 284 semitrailers.

The domestic sales of the auto vehicles in the Czech Republic in the first nine months of 2010 recorded 48,517 units, up by 9.51% compared to the similar period of the previous year.

### **Skoda records nine-month sales growth**



Skoda expects sales and operating results to improve significantly in 2010. The Czech carmaker sold 569,000 vehicles, including Superb station wagon and Octavia hatchback models, in the first nine months of 2010, up by 13% compared to the same period of the previous year, while operating profit almost doubled to 314 million EUR from 162 million EUR.

Skoda Auto expects to double its global sales through 2020, as the Czech carmaker plans to expand the operations in Russia, India and China.

### **CVG to provide Skoda with wire harnesses**

Commercial Vehicle Group (CVG) will provide Skoda Auto, located in Mlada Boleslav, the Czech Republic, with wire harnesses to be used in car doors, seats, bumpers and parking sensors on two of Skoda's future car lines. CVG will produce the wire harnesses at its facilities located in Liberec, Czech Republic and Kamyanets-Podilsky, Ukraine.

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Currently, CVG is delivering similar products for two other Skoda car lines, the Yeti SUV and the Superb B6. In addition to the manufacture of parts, CVG will also supply Skoda with design activities, development and engineering services, drawings, prototyping, production samples and customer service assistance.

The production of the new parts is set to begin in 2012. CVG estimates that the annualized revenue resulting from the new business award will be of 10 - 12 million EUR.



## **SLOVAKIA**

### **TRW Steering Systems to expand plant in Nove Mesto**

TRW Steering Systems Slovakia will expand its Nove Mesto plant in order to support the growth of TRW's Electrically Powered Steering (EPS) systems business. The investment could lead to the creation of up to 250 new jobs over a three-year period.

Within its investment plan, TRW will expand the existing manufacturing plant to support the introduction of the EPS sensors and the EPS Belt Drive steering systems manufacturing. TRW plans to begin production from the extended facility early in 2011.



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TRW's Nove Mesto facility currently manufactures precision motors for vehicle steering systems and employs some 400 people.

**Kia Motors Slovakia records production growth**

In September 2010, Kia Motors Slovakia produced 22,222 vehicles, up by 41% compared to the same month in 2009. The Kia cee'd model composed 33% of the total production in September 2010, with 7,318 vehicles.

In the first nine months of 2010, Kia Motor Slovakia recorded a production of 163,225 vehicles which is 60,094 units more than in the same period of 2009 and over 13,000 units more than the whole year 2009 production.

In October 2010, Kia Motors Slovakia launched the volume production of the brand new turbo diesel engine 1.7 CRDi. The engine with the power 85 kW (115 hp) and the torque of 255 Nm/2000 rpm will be assembled to the SUV models.



## **HUNGARY**

**Audi to invest 900 million EUR in Hungary**

Audi will invest almost 900 million EUR in its Hungarian operations during the next three years, as it expands its production plant in Győr. At present, the body shells for the Audi models assembled in Győr are produced in Ingolstadt and transported to Hungary by rail. In the future, the plant will have its own complete production chain including body manufacturing, paint shop and assembly.

Beginning with 2013, about 125,000 cars per year will roll off the line in Győr, including the Audi TT Coupe and TT Roadster sports cars, the A3 Cabriolet and another A3 derivative. In addition, the car manufacturer will create 1,800 new jobs at its Hungarian site.

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After the plant is upgraded, Audi will support more than 15,000 jobs in the region through its permanent workforce at Audi Hungary and through its service providers and suppliers.

According to Hungarian Government's sources, the country's GDP is expected to receive a two percentage annual boost from the Audi investment after completion in 2013.



**Opel to invest 500 million EUR in Hungary**

Opel will invest 500 million EUR to expand its engine plant in western Hungary, this representing the biggest investment of General Motors in Central Europe. Hungary will contribute some 27 million EUR to the project, which will create some 1,000 jobs by 2012 and another 2,500 - 3,000 jobs indirectly via suppliers.

The production of the engines will begin at the end of 2012. At full capacity, the plant will have an output of 500,000 units per year. The plant will produce three different types of engines, to comply with "Euro 6" European emission standards. The new engines will be installed in various Opel models, from the small Corsa to the mid-sized Insignia.

Opel had a market share of 9.8% on the car market in Hungary in 2009. It set up operations in Szentgotthard in 1990.

**Daimler builds plant in Kecskemet**

In 2009, Daimler made the announcement for the construction of a Mercedes-Benz plant in Kecskemet and signed the cooperation agreement with the Hungarian Government.

The investments of the Daimler Group in its plant in Kecskemet are estimated at 800 million EUR.

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The production at the Kecskemet plant will start at the beginning of 2012. In association with the plant in Rastatt, two vehicles from the next generation of today's A- and B-Class are to roll off the production line in Kecskemet from 2012.

**Allison Transmission to construct new plant in Szentgotthard**

In September 2010, Allison Transmission has marked the 10<sup>th</sup> anniversary of the opening of its Szentgotthard operation in Hungary. During the ceremony, Allison announced its plans to build a new state-of-the-art manufacturing plant in Szentgotthard.

The new facility is expected to produce 3000, 4000 and Torqmatic Series fully automatic transmissions for Europe.

Allison Transmission in Szentgotthard has benefited from a 10-year successful manufacturing relationship with Opel Hungary.



**ROMANIA**

**Romanian auto vehicle production records nine-month growth**

According to the Association of the Automobile Producers and Importers, 257,950 auto vehicles were produced and assembled in Romania in the first nine months of 2010, out of which: 238,899 passenger cars, 19,027 commercial vehicles under 3.5 t GVW and 24 commercial vehicles of over 18 t GVW.

The production and assembling of auto vehicles in Romania in the first nine months of 2010 recorded a growth of 21.3% compared to the similar period of the previous year.

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**Dacia records sales increase in H1 2010**

In the first six months of 2010, the local producer Automobile Dacia, owned by the Renault Group, sold 181,826 auto vehicles, up by 18.2% compared to the similar period of the previous year. This increase is mainly based on the demand from the external markets.

Dacia exports its products in France, Germany, Italy, Spain, Algeria, Turkey, Belgium, Austria, the Netherlands, Switzerland etc.

On the domestic market, Dacia sold 19,294 auto vehicles in the first six months of 2010. In Romania, Dacia had a market share of 33.5% in the first semester of 2010, up by 3.5% compared to the similar period of 2009.

**Trelleborg Automotive Romania to increase production capacity**



For the next period, Trelleborg Automotive Romania intends to increase its production capacity by some 10% as a result of the new contracts forecasted for 2011.

The Swedish Group Trelleborg entered the Romanian market in 2007 through the opening of a plant in Dej. The plant has some 210 employees and produces engines, systems of chassis assembling, anti-vibration systems, car body parts etc.

Trelleborg invested over ten million EUR in its plant in Dej. At present, some 70% of the company's production is exported. The company's main clients are BMW, VW, Ford, Nissan, PSA, Automobile Dacia and Renault.





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**BULGARIA**

**Great Wall to start production in 2011**



The Chinese manufacturer Great Wall Motor will launch operation of its auto vehicle production plant in Bulgaria in February 2011. The plant is expected to have an initial annual output capacity of 1,000 units. The plant is under co-construction between local carmaker Litex Motors and Great Wall.

It is estimated that Great Wall Motor will invest 119 million USD in the initial stage and 420 million USD on long-term.

Great Wall Motor plans to become one of the world's top three SUV makers in 2020. The deal signed in November 2009 with Litex Motors is a cornerstone of the company's future expansion in Europe.

**Sources:**

*Automotive Industry Association – Czech Republic*  
*Association of the Automobile Producers and Importers - Romania*  
*Releases – TRW, Toyota, PGW, Daimler, Kia Motors, Allison Transmission, Dacia*  
*Bloomberg*  
*Reuters*  
*Interconnection World*  
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*China Knowledge*  
*Warsaw Voice*

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*Sources consulted for this report: business mass media, the companies, official sources*

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