

## AUTOMOTIVE INDUSTRY

## SPECIAL

## CAR FACTORIES IN SR



**JAGUAR LAND ROVER:** The British carmaker **Jaguar Land Rover** is considering an investment in the new plant in central Europe. According to the Financial Times daily, in addition to Slovakia, Poland, the Czech Republic and Hungary are also in the game. The company is awaiting the most advantageous offers for state incentives. The new plant could create new jobs to 8,000 people. Slovakia could offer a 400-ha plot in the industrial park in Nitra to the carmaker. According to the statement of Jaguar Land Rover, owned by the Indian carmaker **Tata Motors**, the final decision on location of the plant has not yet been made. According to some international, the selection was reduced to two countries. • [Trend \(28.5.\), page 10](#) • [Nový Čas \(28.5.\), page 6](#) • [SME \(28.5.\), page 6](#) • [Pravda \(28.5.\), page 5](#) • [HN \(28.5.\), page 3](#)

- The Economy Ministry is preparing a special law on strategic industrial parks for the construction of large factories similar to this investment. • [STV \(28.5.\)](#)

- "Billion-worth investment of the decade," strengthening Slovakia's position as a top world car producer and "8,000 new jobs" were advertised by two dailies in headlines. It is not about the new carmaker in Nitra, but it proves above-standard relations with the government which made a title for them within its election campaign. However, it underestimated that Warsaw denies the information, saying that Poland and the Czech Republic are candidates for Jaguar, write the commentary. • [SME \(29.5.\), page 11](#)

**PSA:** The Kovo trade union organization in the Trnava-based car manufacturer **PSA Peugeot Citroen** is preparing for collecting signatures it needs for announcing an all-out strike. According to its deputy chairman Marek Vitek they want that all is 100-percent prepared in order that the possible strike could not be contested due to formal flaws. Trade unionists need to obtain signatures from an absolute majority of employees of the carmaker that has some 2,700 people on the payroll. Trade unionists plan to gain them within three weeks, specified Vitek. Trade unions entered the strike alert following the failed talks with the management of the company on raising salaries. Carmaker offered a presentation which showed their view of the entire situation. Trade unions demand one-off bonus of 500 euros and increase in basic salaries by 60 euros next year, plus a share on the results. The management came with the offer of a bonus of 400 euros this year and a pay rise by 27 euros next year. • [SITA \(25.5.\)](#) • [Plus jeden deň \(26.5.\), page 4](#) • [Radio Slovensko \(25.5.\)](#)

**LAMBORGHINI:** New luxury SUV **Lamborghini Urus** will be made in Italy. This news was supposed to be announced by carmaker's Chief Executive Officer Stephan Winkelmann and

director of its parent company Aduti Rupert Stadler at the mutual news conference with Italian Prime Minister Matteo Renzi on Wednesday, Bloomberg informed. The representatives of Lamborghini rejected to comment on this information. In 2014, media informed that the new Lamborghini model was supposed to be made in Bratislava-based plant of **Volkswagen** that owns carmaker Audi, a parent company of the Italian Lamborghini. According to Bloomberg's sources, the carmaker decided to keep production in Italy thanks to generous stimuli of the Italian government. Despite this decision, Bratislava should not be left empty-handed. The chassis and other key components will be manufactured at other factories of the concern. Bloomberg's sources mention the factory in Bratislava. The story of new model SUV Lamborghini within VW's concern has a similar development as a new model of carmaker Bentley which will eventually be assembled in British Crewe. Bratislava will produce only Bentley bodywork. • [SITA \(26.5.\)](#) • [Pravda \(27.5.\), page 11](#)

**VW SK:** The Martin-based factory of **Volkswagen Slovakia** produces components for gearboxes and chassis for 61 models of five brands of the Volkswagen group worldwide already for 15 years. In 2014, the Martin factory reached a historic record when it put out 34.9 million components with annual turnover of 150 million euros. "The decision to build a plant in Martin was not only good for Volkswagen, but also for the entire region. In 1999, we started preparations for launching production with dozens of staff members. Today, already with more than 800 employees we belong among the most important employers in the region," Chairman of BoD Volkswagen Slovakia Albrecht Reimold said, adding the company plans to develop the Martin factory also in the future. "We have so many ideas that concern this locality while at stake is the development for the future, but these plans have not been specified yet," he added. • [SITA \(29.5.\)](#)

**BONUSES:** Volkswagen Slovakia paid out a bonus of 1,428 on average to all tariff employees for the results in 2014. • [SME \(28.5.\), page 6](#)

**KIA INNOVATION:** Vocational school students presented their projects aimed at fuel consumption saving and increase of drive safety within competition KIA Innovation Award. Students from eight schools participated in this competition. The gold medal went to the project in which students used kinetic energy semi-trailer trucks for recharging batteries. They would fuel electric engine in a difficult grounds and reduce fuel consumption. Mobile applicants connected to car electric accessories took the second and third place. "Many ideas have a big change to be applied in practice," Milos Ondrus, director of PR at Kia Motors Slovakia said. Students received 20,000 euros for their ideas. • [STV \(29.5.\)](#)

**SOFTWARE:** A driver from Bratislava complained about having problem with her new car Peugeot 208 produced in the PSA in Trnava on Slovak Radio. "The software in my car is not in Slovak, or Czech language," Mariana Valkova complains. This problem could be solved by the company Auta slovensky which can load Slovak language into dashboard system. "I want to say that we register this problem. We will contact the seller and a customer to solve this problem," a spokesman for **PSA Peugeot Citroen** in Slovakia Peter Svec commented on this problem. • [Rádio Slovensko \(26.5.\)](#)

## CAR FACTORIES IN SR IN GENERAL



**EDUCATION:** Our ten biggest exporters meet the Education Minister Juraj Draxler in early June to speak about the dual education system and cooperation of companies with vocational schools. Representatives of these companies, including three automakers and their suppliers such as Continental Matador, or U.S. Steel meet regularly at the Slovak Chamber of Commerce and Industry. • [HN \(26.5.\), page 14](#)

**SR-CHINA:** Deputy Prime Minister and Finance Minister Peter Kazimir negotiated with Chinese partners on deepening cooperation between the two countries during his visit to the People's Republic of China. The Chinese Finance Minister Luo Jiwei and first Deputy Prime Minister Zhang Gaoli agreed to put main emphasis on the economic dimension. China has been clearly expressing interest in large investments in Slovakia for many years. "We are interested in dozens of medium-sized Chinese companies. We would like to see exchange of experience," said Finance Minister Peter Kazimir. Kazimir also talked about Chinese carmakers and bank in Slovakia. The visit confirmed interest in further development of economic relations not only with China but also other Asian countries. • [SITA \(27.5.\)](#) • [HN \(27.5.\), page 4](#) • [TV TA3 \(28.5.\)](#)

**SR-RUSSIA:** Export of Slovak companies to Russia fell by 18% last year. Total export was not affected negatively. Our companies could substitute this shortfall in orders. The situation is likely to repeat this year. One of our three carmakers - Kia Slovakia recorded a 15-percent decline in export to Russia last year. However, the company's production in 2014 was higher than in 2013. "This was due to steady sales on UK and German markets," head of communications department, Milos Ondrus, informed. He added that customers in Spain, Italy and Sweden expressed higher interest in cars. • [HN \(29.5.\), page 4](#)

**SR-GERMAN:** Slovak businessmen have the greatest potential to succeed in Germany in services, namely financing, renting and business services. The manufacturing industry, trade, as well as transport, construction and agriculture follow. The automotive industry is the key industry and a driving force for the German economy. Together with the sub-contracting sector, it contributes to the economic growth, trade surplus and

investment and employment growth. The automotive industry is a catalyst for innovations and R&D activities. Similarly to Slovakia, cars and their parts are the most important export commodity. The importance of the automotive industry is also reflected in other sectors. The daily *Hospodárske noviny* published an overview of Slovak companies operating in Germany as well as German companies in Slovakia. • [HN \(29.5.\), page 14](#)

**EDUCATION:** Jaroslav Holecek, president of the Association of Automotive Industry, is to become the new deputy chairman of the Accreditation Commission. This stems from the proposal which is currently not included among the materials to the Government's session. Holecek has been a member of the Accreditation Committee since September 1, 2012. The Accreditation Commission is an advisory body to the Slovak Republic. It monitors, assesses and evaluates independently the quality of education, research, development, artistic and other creative activities of universities. • [SITA \(29.5.\)](#)

**CR:** Carmakers set an example for corporate responsibility. Business Leaders Forum in cooperation with the Agency Focus found out in the survey that Volkswagen, US Steel, KIA Motors Slovakia, SPP, Slovnaft, Orange, Slovak Telekom and O2 have the best image. Slovaks appreciate that they provide a permanent job and fair pays. These companies care about employees and their families. These companies have been topping the chart since 2008. "It's a synergy of positive image of the company in the society but also an ability of the company to overcome the narrow framework of its interest through building of the corrective relation only with own customers toward a broader responsibility for living and social conditions of people in the communities or across the country. It is very positive that a trend of interest in information from corporate responsibility area becomes stronger. On the contrary, there are less people, who are not interested in such information," Slosiarik said. The daily *Hospodárske noviny* also published answers of companies' representatives on corporate responsibility. For example, Volkswagen Slovakia stated that it focuses on several areas; employees care, sustainable production and environmental protection, promotion of technical education in Slovakia or bilingual education. • [HN \(28.5.\), page 16+17](#)

## CAR SUPPLIERS IN SR



**PLASTICS:** A Korean investor is building its plant in Krasno nad Kysucou. The company **Hyunnam SK** will create 250 jobs in the first phase and 500 jobs in the second phase. The investment will swallow 12 million euros. The plant will manufacture plastic casts and sound-proof material for the companies **Kia** and **Hyundai**. An investor connected with carmakers is arriving in Kysuce where the unemployment rate has been from 12 to 13 % over the past three years. First employees are currently being trained in the Czech Republic, where the company has its core plant. • [Plus jeden deň \(29.5.\), page 7](#)

**GALVANISING:** The company **Oerlikon Balzers** plans to launch the production at its new production plant for surface treatment for the automotive industry in Velka Ida nearby Kosice in September 2015. The company confirmed that it expects to create more than 100 jobs. They need qualified workers and engineering professions with experience in the automotive industry. • [Plus jeden deň \(29.5.\), page 7](#) • [SITA \(31.5.\)](#)

**LIGHTS:** If financial officer watched only cost items, he would jeopardize the prospects of his company. He must turn into strategist who can recognize and respond to new trends, Robert Verbich from **Osram Slovakia**, the winner of the poll Financial Manager of 2014, said in an interview for the Trend weekly. Verbich talked about German concerns, their production management, research and Osram's direction in Slovakia. "The plant in Nove Zamky is one of the most complex in Europe, covering several production segments. In addition to traditional light sources, the part of the production is focused on automotive segment. We produce all types of indoor and

outdoor lamps in addition to the headlamps. But we must respond to new trends. We shifted the assembly of lights from Germany one and half years ago. We will have a new R&D centre and we will strengthen the quality department. Shared services are another pillar for stable future of the company in Slovakia. We will employ 200-400 people in Nitra within three years besides 200 people working in Nove Zamky," says financial director of Osram. • [Trend \(28.5.\), page 76](#)

**LOGISTICS:** Provider of logistics services **GEFCO Slovakia** recorded a turnover of 114.3 million euros last. This meant year-on-year growth of 5.3 percent. As the company reported, increased activities in land transport by 4.3 million euros contributed to these results. According to published information, this positive development was also supported by supranational acquisitions in several areas. The group has among others signed a contract in the UK with the automotive group **Jaguar Land Rover Limited**. • [SITA \(27.5.\)](#)