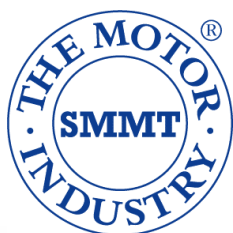




# **SMMT INTERNATIONAL BULLETIN**



## **In This Issue .....**

**Brazilian VM's and tier 1 component suppliers, one-to-one meetings: mid-September**

**Business Opportunities**

**USA Mission: 10 – 15 October**

**June 2010 Issue**



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# EDITORIAL

Regular readers of *International Bulletin* will be aware that SMMT has, for many years, worked closely with UK Trade & Investment to deliver overseas events promoting the British automotive industry. We are, therefore, very pleased to announce that, following a detailed and complex evaluation process, UKTI has re-appointed SMMT as one of its approved contractors to conduct international business development programmes and projects. Only eleven companies and associations have been accredited for the entire Advanced Engineering sector – so we are proud to be on the list.

Our UKTI-supported activities for the rest of this year include some old favourites, and some new features. In the former category, **Automechanika Frankfurt** (14 – 19 September) remains the No 1 global event for automotive components and accessories; and SMMT will be leading a substantial British exhibitor group, with prime space in all the key halls. Its sibling show **Automechanika Dubai** (25 – 27 May) has also proved popular, and SMMT again managed the British group. In August, we expect to be at the **SIAT/ACMA conferences** in Delhi, maintaining the tradition of a strong UK presence

The novel feature of our 2010 programme is the strong emphasis given new-energy and alternative-fuel technologies. Events focusing on NEV's include :

- **Shanghai Expo and Low Carbon Technology Seminars in China** : Shanghai and Shenzhen 21 – 24 June
- **New-energy business group visit to USA** : Indiana and Detroit 10 -15 October
- **Electric Vehicle Symposium (EVS 25)** : Shenzhen China 5 – 9 November

More details on all these events can be found in this edition of *International Bulletin*.

Alongside such overseas projects, SMMT's International Team continues to provide business opportunities, market information and trade advice from key territories around the globe. We have recently published reports on new-energy vehicles in China and on the Brazilian automotive market. We hope shortly to conduct similar research in Argentina, which, coupled with last year's Mexico report, will complete our series on the major Latin American markets.

Our international discussion groups provide another source of advice and information. The ever-green Customs & Tariffs Group next meets at Forbes House on 16 June, whilst the Design Engineering Group and the International Business Group will be staging back-to-back meetings at Nissan's Cranfield Technical Centre on the previous day. The main focus of IBG will be the enigmatic Russian market.

As a final postscript – and to demonstrate that we are continually adding new activities to our programme – can I draw your attention to developing plans to bring a select group of Brazilian VM's and tier 1 component suppliers to the UK in mid-September. As well as attending the National Low Carbon event at Millbrook, the Brazilian delegates would be available for a series of one-to-one business meetings in London. If you would be interested in taking part in those meetings, please contact now Pat Shaw at SMMT (Tel 020 7344 9260, email pshaw@smmt.co.uk), as the project will only proceed if there is sufficient interest from UK companies.

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## **DIARY DATES FOR 2010**

**Customs & Tariffs Working Group** will meet at 10.30 am on

<b>Wednesday</b>	<b>8 September</b>
<b>Wednesday</b>	<b>8 December</b>

**Design Engineering Group** will meet at 10.30 am

<b>Tuesday</b>	<b>26 October</b>
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**International Business Group** - will meet at 13.30 pm on

<b>Tuesday</b>	<b>26 October</b>
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**Electric Vehicle Group** will meet at 10.00 am on

<b>Thursday</b>	<b>27 May</b>
<b>Thursday</b>	<b>2 September</b>
<b>Thursday</b>	<b>25 November</b>

## **GENERAL ROUND-UP**

### **SMMT Web site**

SMMT introduced a new service for members to access the latest industry news. The service is provided by Newspress and offers up to the minute news covering the wider automotive sector. The service also enables SMMT members to issue press releases at a discounted rate. This newsfeed, which is currently housed within member services part of SMMT website (<http://www.smmt.co.uk/memberservices/newspress.cfm>) can be activated by using the same username and password to access the member's area of the SMMT website. If you need help with access, please contact Jamie Harris at [jharris@smmt.co.uk](mailto:jharris@smmt.co.uk).

### **New products and services for SMMT members now available on the web**

To find out all the different services and latest developments please go to: <http://www.smmt.co.uk/memberservices>.

### **SMMT International Automotive Summit 2010**

SMMT will be holding its second International Automotive Summit on Wednesday 30 June 2010 at the Royal Horticultural Halls in Westminster. Delivering an event of significant value to senior executives from all parts of the UK motor industry, the SMMT International Automotive Summit provides an opportunity to listen, engage and network with key influencers from the global industry, UK and international media, politicians and officials from Westminster and Brussels. And this year's Summit will also provide an early opportunity to quiz ministers and discuss their role in sustaining and supporting our sector.

The agenda for the day will include sessions on the retail environment, new technology, safety and vehicle design. It is a full day event running from 10am with tickets priced at £250 for SMMT member companies and £350 for non-members. To book tickets, please call 020 8267 8343.

There are a limited number of exhibition stands and sponsorship packages remaining, providing a unique opportunity to showcase products and services. For further details about the event or more information on exhibition rates, please contact Nikki Rooke on [nrooke@smmt.co.uk](mailto:nrooke@smmt.co.uk) or 020 7235 7000.

## **Independent Report - UK supply chain opportunities**

SMMT launched a report which assesses the state of the UK supply chain and outlines the opportunities for UK-based suppliers.

The study, undertaken by research group AutoAnalysis in the final quarter of 2009, involved interviews with UK chief executives and senior purchasing managers with vehicle and component production sites including BMW, Ford, General Motors, Honda, Jaguar Land Rover, Nissan and Toyota.

Key highlights of the report:

- Around €8.4bn is spent by vehicle manufacturers within the UK.
- There is a genuine wish by vehicle manufacturers to source more components from UK-based suppliers.
- Opportunities exist for vehicles already being built and future models.
- Low carbon transportation presents a clear opportunity for UK suppliers.
- The report also details components which vehicle manufacturers would like to source from within the UK.

The launch of the Automotive, Supply Chain and Technology Councils represents a new strategic approach to developing and promoting UK-based manufacturing with collaboration from industry and government.

Please visit SMMT website ([www.smmt.co.uk](http://www.smmt.co.uk)) to download a free copy of the report.

Ian Henry, director, AutoAnalysis and author of the report recently participated in an SMMT webinar to present the interim results. To hear the presentation and download the slides please visit SMMT website.

## **New Website Goes Live**

[www.smmt-expo.co.uk](http://www.smmt-expo.co.uk) is now on line and information relating to Automechanika Frankfurt plus other SMMT supported exhibitions, events, and international news (eg International Bulletin) can now be viewed. Application forms can be downloaded for impending events, and information/links to helpful websites eg Freight/Travel/Bespoke booth design, to assist the smooth running of your participation are also available.

If you have recently visited exhibitions not supported by SMMT/UKTI and you wish to air your review to assist the future decision of your fellow SMMT members, please contact Russell Murty at [russ@smmt-expo.co.uk](mailto:russ@smmt-expo.co.uk).

Additionally, if you think you have a relevant service you wish to advertise on this site, also contact Russ Murty at [russ@smmt-expo.co.uk](mailto:russ@smmt-expo.co.uk).

## **New Car CO<sub>2</sub> Report**

A New Car CO<sub>2</sub> Report was launched in March. Average new car CO<sub>2</sub> emissions fell by their biggest ever margin in 2009, dropping 5.9% from the previous year as improved technology and the Scrappage Incentive Scheme impacted the market. The publication of this report provides a full analysis of these figures, demonstrating the sector's transparency in meeting the low carbon challenge.

If you would like a copy of the report please send an email to Jonathan Hawking at [jhawking@smmt.co.uk](mailto:jhawking@smmt.co.uk).

## **Cenex**

Their next event is about LCV2010 on 15/16th September at Millbrook Proving Ground, for further details please contact Lynda Grice on 01509 635 762.

A DVD for GVC2010 is now available via the following link:  
<http://www.cenex.co.uk/events/green-vehicle-congress>

## **The Market Access Database**

The Market Access Database (MADB) is freely available to all exporting companies throughout the EU via the Internet. It was set up and has been progressively developed in order to meet the following needs:

- to provide basic information of interest to EU exporters (e.g. import duties, related taxes and documentary import requirements applicable in export markets, trade statistics, studies on market access related topics);
- to list all trade barriers affecting EU exports by country and by sector and to ensure systematic follow-up of the barrier identified and
- to provide an interactive means of communication between business and the European authorities, allowing an exchange of information on-line.

It is on <http://mkaccdb.eu.int/mkaccdb2/indexPubli.htm>.

On this site you can access the tariff database by country, by product code and/or description and browse all product codes or by full text search.

There is also information on reporting as a complaint, barriers to trade (e.g. discriminatory selling taxes, difficulties incurred in obtaining patent rights etc) encountered in third country markets.

## **West Midlands Manufacturing - new innovation support service**

Manufacturers in the West Midlands can benefit from the new "Innovation Advisory Service" set up by AWM's Manufacturing Advisory Service.

It will provide guidance and support for innovating manufacturing companies, providing specialist help in areas such as market analysis, design of product and the manufacturing solution, prototyping, IPR, product compliance and testing.

A team of three specialist advisers will provide free innovation mentoring, from initial review of the product proposition, identification of risk and the creation of a development plan.

Complex projects will be taken through the Manufacturing Advisory Service's New Product Development (NPD) Gateway, which has been successfully supporting the development and commercialisation of new products since 2007.

£3.1million has been set aside for this intensive support programme and it is already helping thirty West Midlands manufacturers.

MAS-WM has also been successfully delivering the Automotive Response Programme to suppliers seriously affected by the downturn in that sector.

To find out if the Innovation Advisory Service can help you, please contact 0845 245 0845. Link to press release: <http://www.advantagewm.co.uk/news-media-events/news/2010/westmidlandsmanufacturerssettobenefitfrominnovationservice.aspx>.

## **Foundation Emissions Training Courses 2010**

Emissions trading is alive, growing and adapting rapidly to the volatile post-Copenhagen market. Against this ever-changing background, the Consilience Energy Advisory Group is pleased to announce the dates of its 2010 Foundation Emissions Training Courses.

The courses, hosted by ICAP in Broadgate, London, and supported by the Lord Mayor of London, will take place throughout 2010. They are ideally suited to professionals in all sectors seeking high quality practical training in the legislative basis, the asset characteristics and the mechanics of the global emissions market.

The courses will include up-to-date news and the impact of new policies to extend the scope of emissions trading to cover new countries and new sectors.

For further information please contact Liz or visit the Consilience Store.

Liz Bossley (CEO)  
Consilience Energy Advisory Group Ltd.  
311 East Block County Hall, London. SE1 7GN  
Tel. 0207 928 1222/3111. Website [www.ceag.org](http://www.ceag.org)

## **MARKET REVIEW**

### **BRAZIL**

#### **New: SMMT Brazil Report**

SMMT's new report on the Brazilian automotive market has now been published. It is available in electronic form to all interested parties. Additionally, SMMT members can obtain a printed copy at no extra cost.

Based upon a series of in-market interviews with the leading vehicle manufacturers, component suppliers and other key players, and backed up by extensive desk research, the 60-page report offers an up-to-date and realistic assessment of the opportunities available in Brazil's rapidly expanding auto industry.

As well as individual chapters on the light vehicle, commercial vehicle and component sectors, the report also contains assessments of the political and economic climate in Brazil, international relations and investment, and logistics, customs regulation and infrastructure issues. A separate appendix offers some valuable tips on doing business in Brazil.

To obtain your copy of this new report, please contact Pat Shaw – tel 020 7344 9260, email [pshaw@smmt.co.uk](mailto:pshaw@smmt.co.uk).

[Note: the Brazil report follows on from last year's publication on the Mexican market. If funding permits, SMMT intend to undertake a similar study in Argentina later this year – thus completing our assessment of the three key automotive markets in Central and South America.]

For more details on the report, or on the Brazilian auto sector in general, please contact Pat Shaw on 020 7344 9260, email [pshaw@smmt.co.uk](mailto:pshaw@smmt.co.uk).

### **CHINA**

#### **Low Carbon Partnership Development**

Following the successful work conducted in 2008/9, SMMT has successfully obtained UKTI funding to complete a detailed study of the Chinese Low Carbon market so that a Chinese Technology Roadmap can be developed showing the key areas of development and to identify potential areas of collaboration for UK companies. For a copy of the report or further details please contact Les Parfitt on tel. 020 7344 9233 or email [lparfitt@smmt.co.uk](mailto:lparfitt@smmt.co.uk).

Following the issue of this report targeted missions/events will be arranged to help UK companies link up with leading Chinese companies through a range of showcase events in China and in the UK next year.

#### **EVS 25 – World battery, hybrid and fuel cell EV symposium and exhibition 5 – 9 November 2010: Shenzhen, CHINA**

The Electric Vehicle Symposium (EVS) is recognized as the global electric transportation industry's premier and largest forum, showcasing all forms of technologies in the market place and on the drawing boards--from low speed battery electric vehicles to fuel cell electric buses.



The event attracts academic, government and industry leaders from around the world who are interested in exploring and understanding the technical, policy and market challenges to a paradigm shift toward use of electric transportation technologies.

SMMT have secured UKTI funding to allow a small group of UK companies to exhibit and present at this premier event to maximise the potential networking opportunities with global EV/HEV companies/academia.

For further details please contact Les Parfitt on telephone 020 7344 92633 or email [lparfitt@smmt.co.uk](mailto:lparfitt@smmt.co.uk).

## **DUBAI**

### **No sign of automotive recession in Dubai**

All the UK exhibitors at the Automechanika Middle East tradeshow held in Dubai last week reported excellent results from this year's attendance. With a record UK pavilion group organised by SMMT International for the 3<sup>rd</sup> year in succession the show itself continues to grow strongly and from the 190 exhibitors occupying just one hall in 2003 to this year's event which covered 7 Halls in the magnificent Dubai World Trade Centre with over 1003 companies exhibiting from 110 different countries making the Dubai show the 3<sup>rd</sup> largest Automechanika event after Frankfurt and Shanghai.

### **Business Opportunities**

#### **New motorsport exhibition / festival – Abu Dhabi**

Barbican Turbo is a UAE based company keen to make contact with any UK motorsport companies interested in developing trade with the Gulf States particularly on vehicle customising, modification, tuning. They run an Abu Dhabi based festival (held 7-9 October at the Abu Dhabi National Exhibition Centre) for motor enthusiasts and are looking to develop a small 300m<sup>2</sup> exhibition area at the festival – exhibitor cost US\$350 per m<sup>2</sup>. If interested in further details contact Barbican Turbo Marketing Director: [Bryan.espie@ubm.com](mailto:Bryan.espie@ubm.com) tel: +971 (0)2 4064314.

#### **UK distribution base required**

Walker Products - US based company manufacturing lambda sensors / emission control equipment is looking to set up a new UK distribution centre for automotive parts manufactured in US (Missouri / Colorado mfg with sales via California). Currently selling £1mill to UK - £3-4 mill across Europe. Shipping from US restricts inventory availability hence desire to service UK and Europe from new UK base. Employs 300 in US across 31 locations – UK operation has potential for 25 new jobs. Would prefer a stand alone operation but prepared to consider partner arrangement depending on added value offer from JV/ partner. Contact Paul Earley European Product Manager Walker Products (based Birmingham UK) tel +44 121 243 0220 [pearley@walkerproducts.com](mailto:pearley@walkerproducts.com).

#### **Procurement of construction equipment crane and heavy vehicle parts for US Army projects – Komatsu, Kawasaki, Mercedes, International truck, JCB, Caterpillar, Terex and Grove crane, Optima batteries**

UAE company based in Jebel Ali Freezone procures construction equipment parts: engine parts, air / oil filters, electrical parts (alternators, batteries), heavy truck parts. Looking for a supplier / trade partner in UK to source and supply Inter Equipment Ltd based in the UAE as an exclusive distributor to US Army in Afghanistan / Iraq. Also supplies into Pakistan, Yemen, Saudi. Able to supply good UK references and ISO certified operation. Contact Binu Kunnel +971 50 653 6165 E mail [binu@interequipment.com](mailto:binu@interequipment.com).

#### **Iranian company sells heavy equipment – spare parts required**

Spare parts required for – Komatsu, Caterpillar, Cummins engine, hydraulics and transmission parts – also turbo charger sales and repair parts.  
Contact Markaz Mashin Tel +983117885750 E mail [nima.khorasanzadeh@ymail.com](mailto:nima.khorasanzadeh@ymail.com).

#### **Pakistan importer / distributor – Massey Ferguson, Perkins engine parts required**

Ahmad traders are based in Lahore, Pakistan importing / distributing automobile parts – principally fuel injection components and parts for Massey Ferguson 200/300 series tractors.

Seeking UK supplier for engine parts like piston rings, cylinder liners and engine overhaul kits for Perkins 200, 300, 400 and 1100 series engines. Contact Usman Ahmad Tel: +92 42 37722455 E Mail sales@ahmad-trader.com.

### **Commercial vehicle equipment sought**

Established and very well connected Egyptian company seeks UK company interested in supplying commercial vehicle equipment for assembly / manufacturing in Egypt.

Currently number one supplier of wheels in Egypt also supplying bus components, seats, interiors, door mechanisms, propeller shafts, chassis parts, suspension parts selling into OE and aftermarket.

Contact Eng. Ibrahim Hassan Ibrahim Nile Wheel & Automotive SAE. Tel +202 2722003 E mail nilewheels@link.net.

## **GERMANY**

### **Business Opportunity: Cabin Filters**

AIRMATIC FILTERBAU –Münster, Germany

The company is looking for customers and/or distributors in the UK for cabin filters.

Airmatic has the largest range in Europe of all types of cabin filters, particle and carbon filters for all cars incl. all Korean and Japanese, trucks, buses and tractors.

Manufactured in Germany, existing European customers are major groups of wholesalers and garages as well as most of famous filter producers.

The company will supply in your own package, in white boxes, in plastic covers, with your labels, whatever is required including your own brand.

The company exports already to most European markets, but not yet to the UK due to lack of contacts.

Please visit their website: [www.airmatic-filterbau](http://www.airmatic-filterbau)

Direct Contact: Peter Drück, AREAM ANAGEMENT FOR AIRMATIC FILTERBAU

Tel: +49 172 7335262 or email [drueck.dobardan@t-online.de](mailto:drueck.dobardan@t-online.de)

## **Automechanika Frankfurt 2010**

### **Last remaining space at Automechanika Frankfurt in Parts & Systems exhibition halls**

Bookings have been strong this year for Automechanika Frankfurt and we have nearly 1500m<sup>2</sup> of UK exhibitor space booked as part of the UKTI / SMMT UK Pavilion group this year.

We now only have very limited space remaining for last minute exhibitors:

- 24m<sup>2</sup> in Hall 5.1 currently available as two spaces of 3x4m<sup>2</sup> each but other options may be possible to allocate this space for interested exhibitors who want the whole or part area.
- a single 9m<sup>2</sup> site available in Hall 5.1 with a column in the centre – this is available as a "restricted access" site at a very competitive price.
- We also have a 9m<sup>2</sup> in line open front site space available in Hall 1.1 as a single 3m x 3m booth.

We still have UKTI TAP grants available of £1000 each for qualifying exhibitors

For further information Contact [cbalch@smmt.co.uk](mailto:cbalch@smmt.co.uk).

## **INDIA**

### **Symposium for International Automotive Technology ( SIAT 2011) Pune, January 2011**

If you are familiar with the globally renowned SAE events then this event is the Indian equivalent, which is backed by the SAE, and it is an event focused specifically on R & D and future global technology development.

SMMT have taken exhibition space at the event, secured speaking slots for UK based presentations from leading UK companies and SMMT are also pleased to be able to offer UKTI funding support and assistance for UK companies to visit this keynote event.

SMMT can advise that this event, although scheduled for early **2011** is now open for bookings and interested UK companies will need to register ASAP in order to secure places at the event as speakers, exhibitors and visitors. As indicated above, SMMT have taken exhibitor space at this premium event and secured and paid for display space within a UK pavilion and presentation area for a limited number of UK companies. Exhibition pods are available on a 'first come, first served basis' and offer the ideal opportunity to showcase your expertise direct to the Indian VM's, key Indian tier 1's and leading Indian government organisations. Funding assistance is available for a small number of UK speakers and visitors and companies exhibiting within the UK pavilion at the event may also be able to claim a TAP grant for £1400 to assist with their costs.

If your company is involved in Advanced Automotive Engineering, then this is an ideal forum to present to the key players in the Indian market. To secure your place to attend this event, please contact Les Parfitt on Tel. 020 7344 9233 or email [lparfitt@smmt.co.uk](mailto:lparfitt@smmt.co.uk) **Places are limited so book now.**

### **In-market Assistance**

In order to provide SMMT International with direct on the ground assistance for the many enquiries it receives from UK automotive companies looking to develop business in India, SMMT have decided to widen out the range of support services offered to complement the UKTI introductory service called OMIS and have teamed up with a company called TMG Advisory. This specialist investment bank and consultancy service is able to handle a wide range of requests for ongoing market assistance, which can be as simple as sourcing product from India through to accessing specialist legal and investment advice services.

For further information on this in-market resource and assistance, please contact Les Parfitt on tel. 020 7344 9233 or email [lparfitt@smmt.co.uk](mailto:lparfitt@smmt.co.uk)

### **Business Opportunity – UK distributor for automotive and tractor products**

A leading Indian VM which is looking to expand their global footprint, wish to appoint a distributor for a range of products such as Automotive (SUV, SC, DC Pickups etc.) and Tractors .

The ideal UK partner company would be financially strong, a reputable automotive company /other and who could handle Automotive as well as Tractor business and synergize the Indian expertise in manufacturing with the rich experience of the UK market.

For further information please contact Les Parfitt on Tel. 020 7344 9233 or email [lparfitt@smmt.co.uk](mailto:lparfitt@smmt.co.uk).

## **MEXICO**

### **Mexico could double auto output in 3-5 yrs**

Below is an extract from local economic reporting from the Embassy:

With the world's largest network of free trade agreements, low manufacturing costs and a relatively stable currency, Mexico is already the 10th-biggest automobile producer, and exports account for about 80%. Mexico could see its automobile production double to around 3 million vehicles in the next three to five years as global carmakers such as Volkswagen expand capacity. Mexico is recovering from a deep recession thanks to renewed demand for the cars, televisions and refrigerators it exports to the United States. Comment: The automotive sector has been the leading force of Mexico's economic recovery, and will likely be a key driver for future growth.

## **Business Opportunity - Market Pointers**

### **Chinese Automotive Investment will trigger more business opportunities**

Tijuana's automotive sector accounts for more than 15,000 jobs and its clusters and workshops are attractive to Chinese investors, who are considering installing a low cost vehicle plant in the city.

### **Automotive Investment in Tijuana**

Automotive company to invest \$17 million USD in Tijuana and local government to improve the city's infrastructure.

### **Automotive Cluster in Tijuana looking to create a Training and Design Centre**

Automotive Cluster in Tijuana is looking to create a Training and Design Centre to help promote foreign investment in Baja California.

### **Road Projects**

The Mexican government is investing a considerable sum of money in road projects all over the country from expansion, brownfield projects, bridges and upgrades to green field projects. Places such as Nogales, Acapulco, Chamapa-Lecheria, Campeche, San Luis Potosi, Veracruz

### **Environmental Investment in Baja California**

Ministry of Environmental Protection to invest in 18 projects in Baja California.

### **Engineering Company Seeking UK Provider to Design Oil And Gas Separators**

Leading Mexican engineering company seeking UK provider to design oil and gas separators, filters, coalescent filters.

### **Lord Mayor's visit to Mexico, Columbia and Brazil, October 2010**

The Lord Mayor of London will visit Mexico, Columbia and Brazil in October 2010.

## **MIDDLE EAST & NORTH AFRICA**

### **Upcoming Seminars on Middle East & North Africa**

Jordan, Syria and Lebanon: Open for Business

On: Tuesday 29 June 2010, 3.00 - 7.00pm

At: London Chamber of Commerce, 33 Queen Street, London EC4R 1AP

The countries of the Levant have opened up to varying degrees and are seeking to attract foreign partners and investors. Obstacles to doing business in Jordan, Syria and Lebanon are gradually being removed and each of these countries offers significant business opportunities that should not be overlooked.

Price (inclusive of VAT): £89.00

For further details please contact:

London Chamber of Commerce

Sabina Alziati, Events Executive, World Trade

T: +44 (0)20 7203 1822. F: +44 (0)20 7203 1905. E: [salziati@londonchamber.co.uk](mailto:salziati@londonchamber.co.uk)

### **Explore Business Prospects in Egypt**

On: Thursday 1 July 2010, 3.00 - 7.00pm

At: London Chamber of Commerce, 33 Queen Street, London EC4R 1AP

Egypt today is a growing attractive market that offers significant business opportunities to UK companies. The country has been going through a period of intense economic, political and structural reform, and is expected to grow 5% this year.

For further details please contact:

London Chamber of Commerce

Sabina Alziati, Events Executive, World Trade

T: +44 (0)20 7203 1822. F: +44 (0)20 7203 1905. E: [salziati@londonchamber.co.uk](mailto:salziati@londonchamber.co.uk)

## MOROCCO

### The automotive industry in Morocco

Morocco is already a significant exporting sector with 20 Equipment manufacturers located in the *north area* (e.g., Yazaki, Sumitomo, Delphi, Polydesign, etc.) and 100 manufacturers in the south area (e.g., Leoni, Sumitomo, Prevent, Faurecia, OMR, etc) exporting 98% and 80% of their production respectively.

With the car carrier terminal in Tangier Med Port and easy access to huge container traffic Morocco claims to have a world-class infrastructure in a strategic location – ranked among the Top 15 ports in the world.

Renault is developing a huge new production centre in the north area of Morocco with 400,000 cars per year to be produced in 2013 (200,000 in 2010)

In addition to the indigenous vehicle production Morocco has ready access within 3 days to the large adjacent automotive production markets in Spain (13 sites 1,950,000 vehicles), Portugal (3 sites 122,000 vehicles) and France (13 sites 2,125,000 vehicles)

Other world markets are also accessible benefiting from a number of current trade agreements with EU, EFTA, Agadir, Arab League, Turkey and USA.

Morocco has a stable, regular and diversified economy with low inflation, (mean average 2% (2006-8)). GDP (excluding agriculture) is over 6% (2008) and the national unemployment rate is decreasing (9.5% 2008).

Government is focussing on the automotive sector with a number of measures announced to improve Moroccan SME competitiveness, training and the general business environment.

A specialized Automotive Institute, created with the participation of international automotive training partners has been initiated providing attractive employment benefits with a very attractive Training incentive scheme specifically adapted to the needs of the automotive sector.

The sector with government support is targeting automotive manufacturing development in 4 main groups: exterior, interior, chassis and engine with 22 sub assembly elements:

Morocco is focussing on **the following targeted specialties:**

- **Compression moulding and injection moulding**
- **Lay-up / Assembly in plastics / textile**
- **Press / Stamping in metallurgy**
- **Plastic / metal working and lay-up in the harness industry**
- **Weaving / Non-weaving and Assembly in the textile industry (upstream and downstream)**

Specialising in **the following components and assemblies:**

- **Interior: interior covering, seat covers and straps, cockpit /dash-panel and HVAC**
- **Exterior: Lighting system, exterior complementary parts**
- **Cable assemblies in the Chassis and the Engine**
- **Exhaust system**
- **Suspension system**

Morocco is seeking new technology partners from the UK for:

- **Exterior**
  - Main Body
  - Bumper / fender
- **Engine**
  - Engine Unit
  - Auxiliary Engine
  - Engine control
  - Gearbox
- **Interior**
  - Doors
  - Safety system
  - Electronics
- **Chassis**
  - Braking system
  - Direction system

## **RUSSIA**

The Russian government is looking to achieve a five-fold rise in vehicle production in the country by 2020 to 3.7 million units, reports the *ITAR-TASS World Service* news agency. The aims were published by the Ministry of Industry and Trade in its "Strategy of the Russian Car-Making Industry in the Period up to 2020". The strategy expects the annual production of 3.15 million cars, 280,000 light commercial vehicles (LCV), 280,000 trucks, and 35,000 buses by this point.

This in turn would support the share of Russian-produced vehicles sold on the domestic market rising to 80% for passenger cars, 65% for light commercial vehicles (LCVs), 91% for trucks, and 99% for buses in value terms it added. The government also expected that it would require the investment of 584.1 billion roubles (US\$19.7 billion), with the government's input dependent on requests from automakers and the support of foreign investors and credit organisations.

In 2009, during what was a difficult year for automakers with bases in the country, vehicle production fell to around 710,000 units from an all-time high of almost 1.8 million units the previous year.

The report would see a doubling of this level, largely driven by the hopes of the expected sales benefits from within the country by this point. Despite the low levels of sales activity recently, this has not put off further investments in the country, with Renault looking to boost AvtoVAZ with new models based upon its engineering, while Fiat has joined forces with Sollers so as to position itself strongly in the market when a bounce back takes hold fully.

However, at present, IHS Global Insight anticipates production to be around 1 million units less than this at 2.7 million units, and still relying on at least a quarter of vehicles sold coming from abroad. Source IHS Global Insight

### **Patent conflicts in Russia**

We recently learn from FIGIFEA that a trader in Russia has claimed to hold patents for shock absorbers (which were most likely copied from earlier models). He then pretended that foreign companies and Russian distributors would infringe his patent rights when trading shock absorbers on the territory of Russia. On the basis of his statements, police officers sealed up selected importers warehouses to carry out an examination.

The Russian trader then blackmailed representatives of parts suppliers that have activities in Russia, threatening that in case of refusal to conclude a "license agreement" with him, he would initiate criminal proceedings using his relationship with the Ministry of Internal Affairs and courts.

The situation is considered by CLEPA as dangerous for the whole spare parts market, as the Russian authorities have taken the Russian trader's side. Moreover, he has since then declared he had patented other parts, such as brake pads and ball joint.

The European importers involved proposed to pool the necessary legal expertise and financial resources among parts suppliers to file a complaint in Russia, so as to avoid such situations and solve the problem. It was proposed that parts distributors operating in Russia join the group. Mr. Besting will coordinate the efforts of FIGIEFA Members, Mr. Fischer (VREI) and VDA (CLEPA). CLEPA has sent a letter to the Russian Ministry concerned and has not received any reply so far. For further interest please contact Bob Davis at [bdavis@smmt.co.uk](mailto:bdavis@smmt.co.uk).

## **USA**

### **Catch The New Energy Wave In The USA**

In 2010, SMMT's International Team will be strongly supporting UK-based companies who wish to exploit the opportunities offered by the adoption of new-energy and low-carbon technologies by the global automotive industry. To open routes into the crucial American market, SMMT are organising a business group visit, targeted at key "hot-spots" for alternative-energy vehicle development, production and sales.

#### **18 – 22 October**

The visit will cover the **automotive heartland of Michigan and Indiana**, where substantial sums of federal and state money are now being invested to support the growth of new-energy vehicle development and manufacturing. Timed to coincide with the Center for Automotive Research "*Business of Plugging In Conference*", the visit programme will also feature a seminar showcasing UK alternative-energy expertise, and a series of site visits to targeted companies.

The visit will be extensively advertised and be fully supported by experienced SMMT staff and their carefully selected local partners to ensure that UK group members gain maximum commercial benefit from their participation.

Places will be strictly limited. To register your interest, or to receive further details, please contact Pat Shaw on 020 7344 9260, email [pshaw@smmt.co.uk](mailto:pshaw@smmt.co.uk).



## INTERNATIONAL BULLETIN - JUNE 2010

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