Guide to assembly plants in Europe

BMW GROUP

Vitoria, Spain – Mercedes Vito, Viano
Volkswagen Crafter
Ludwigsfelde, Germany – Mercedes Sprinter, Vario;
wagon, E-class 4Matic, S class; Maybach
Rastatt, Germany – Mercedes A class, B class
Dusseldorf, Germany – Mercedes Sprinter; Volkswagen
Bremen, Germany – Mercedes C-class sedan, station
wagon;
Nizhny Novgorod, Russia – Peugeot, Citroen cars (2009)
Kolin, Czech Republic – (Toyota Peugeot Citroen
Peugeot 807, Expert, TePe
PSA/PEUGEOT-CITROEN

FORD

Castle Bromwich, UK – Jaguar X-Type, XJ, XJ, Daimler
Super Eight
Malleswijk, UK – Jaguar X-Type sedan and station wagons;
Land Rover Freelander
Solihull, UK – Land Rover Defender, Discovery, Range
Rover, Range Rover Sport
Southampton, UK – Ford Transit
Cologne, Germany – Ford Fiesta, Fusion
Smederevo, Serbia – Ford Focus, Fusion, C-Max, Kuga (2008)
Genk, Belgium – Ford Mondeo, Galaxy, S-Max
Ghent, Belgium – Volvo C30, S40, S60, V70, V90
Gothenburg, Sweden – Volvo S80, V70, XC70, XC90
Hilversum, Sweden – Peugeot 807, Citroen C6
Volvo Car (Volvo Car V70)
Valencia, Spain – Ford Focus, Ka (2008)
Kocaeli, Turkey (Ford Otosan: Ford 41%, Koc Holding 41%,
PSA 50%) – Citroen Jumper/Relay; Fiat Ducato;
Poznan, Poland (from kits*) – Logan
Wroclaw, Poland (from kits** starting in 2008)
Damas, Nexia, Lacetti; (from kits** starting in 2008)
Asaka, Uzbekistan (UzDaewoo: joint venture of GM,
permanent plant opens in 2008.
Nizhny Novgorod, Russia – Peugeot, Citroen cars (2009)
Kolin, Czech Republic – (Toyota Peugeot Citroen
Peugeot 807, Expert, TePe
PSA/PEUGEOT-CITROEN

RENAULT

St. Petersburg, Russia – (from kits*) – Logan
Pitesti, Romania – Dacia Logan, Logan II, Logan van,
Logan pickup (2008)
Bursa, Turkey (Otokar-Renault: Renault 51%, Opel 49% –
Renault Clio II, Clio 115 (surgical), Megan II
hatchback, sedan

FIAT GROUP

Bremen, Germany – Mercedes C-class sedan, station
wagons, CEK-class convertible, coupe, GLC-class (2008);
St. classes, 160 series
dresden, Germany – Mercedes Sprinter; Volkswagen
Crafter
Kassel, Germany – Mercedes A class, B class
twente, Germany – Mercedes C-class sedan, sport
co coupe, CL-class coupe, CLS-class, E series sedan,
estates, 8-class allt Maple, 5-class
Luigioldenburg, Germany – Mercedes Sprinter, Vario;
Volvo S80, V70, XC70, XC90
Hambach, France – Smart ForTwo
Vitoria, Spain – Mercedes Vito, Viano

VOLKSWAGEN

Douai, France – Renault Megane II CC, Scenic/Grand Scenic
Trnava, Slovakia – Peugeot 207
Mangualde, Portugal – Citroen Berlingo; Peugeot Partner
Vigo, Spain – Citroen Berlingo, C4 Picasso, Grand C4
207, 207 CC
Paris-la-Jannais, France – Citroen C5 sedan, station
hatchback, coupe
Rennes-la-Jannais, France – Citroen C2, C3
Aulnay-sous-Bois, France – Citroen C2, C3

TOYOTA

Roma, Italy – Fiat Ulysse II, Bravo, Croma Multi Wagon;
Lieferservice: 18%
Douai, France – Renault Megane II CC, Scenic/Grand Scenic
Trnava, Slovakia – Peugeot 207
Mangualde, Portugal – Citroen Berlingo; Peugeot Partner
Vigo, Spain – Citroen Berlingo, C4 Picasso, Grand C4
207, 207 CC
Paris-la-Jannais, France – Citroen C5 sedan, station
hatchback, coupe
Rennes-la-Jannais, France – Citroen C2, C3
Aulnay-sous-Bois, France – Citroen C2, C3

FORD

Odessa, Ukraine – (Renault 86.67%, UkrAvto 13.33% –
Renault Magnum, truck) (2008)
Moscow, Russia – (Renault 93.4%, Moscow city council
6.6%) – Logan

RENAULT

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Pitesti, Romania – Dacia Logan, Logan II, Logan van,
Logan pickup (2008)
Bursa, Turkey (Otokar-Renault: Renault 51%, Opel 49% –
Renault Clio II, Clio 115 (surgical), Megan II
hatchback, sedan

FIAT GROUP

Casino, Italy – Fiat Ulysse, Duna, Qubo Multi Wagon;
Lancia Delta HPE (2008)
Maranello, Italy – Ferrari (B) GTB Fiorano, 612 Scaglietti,
Fezzaco coupé and spyder
Moff, Italy – Fiat Grande Punto
Moirano, Italy – Fiat Grande Punto/Punto, Idea, Multipla,
Alfa Romeo 166, Junior (2008); Lancia Musa, Thesis
Modena, Italy – Maserati GranTurismo, Quattroporte
F430 coupe and spider
Maranello, Italy – Ferrari 599 GTB Fiorano, 612 Scaglietti,
Drophead coupe

VOLKSWAGEN

Dresden, Germany – VW Phaeton
Emden, Germany – VW Passat sedan, station wagons, coupe
(2008)
Hanover, Germany – VW California, Multivan, Transporter T5
Ingolstadt, Germany – Audi A3, A3 Sportback, A4 sedan,
station wagons, 54, 54/55, TT (tiss) (2008)
Neukirchen, Germany – Audi A6 sedan, station wagons,
almost, AL, RB, Lamborghini Gallardo (chassis)
Wolfsburg, Germany – VW Golf, Golf Plus, Tiguan, Touran
Zwickau, Germany – VW Golf, Passat sedan;
Bentley Continental GT and VW Phaeton (body only)
Malmo, Sweden – Seat Altea, Altea XL, Cordoba, Ibizra,
Leon, Toledo
Pamplona, Spain – VW Polo
Sentebal, Portugal – VW Sharan, Eco, Seat Alhambra
As plant capacity is shifting further east to follow booming sales in central and eastern Europe, automakers are maintaining or reducing car production capacity in western Europe's stagnating markets but are expanding plants further east to feed a car-buying boom in central and eastern Europe.

“It’s a three-speed Europe,” said Calum MacRae, UK-based European leader for PricewaterhouseCoopers Automotive Institute. “It’s steady in western Europe; moving fast to establish plant capacity in central Europe and Yukon-gold rush speed in Russia.”

The state of assembly-plant capacity indeed varies by region. Western Europe holds the vast bulk of production capacity in Europe, but Russia is typically flat.

The new EU – central Europe – is just starting to show its power as new assembly plants open and start to reach full production.

In eastern areas beyond, from Russia to Turkey, car manufacturers are frantically trying to build local output to satisfy rapidly growing demand for new cars.

In western Europe, most plant capacities are the same as about as many small adjustments up as down.

But there are plants in western Europe closed in the past 12 months as manufacturers adapted to static or decreasing sales. General Motors shut its plant in Azambuja, Portugal. After Ford sold Aston Martin, the independent operation closed its tiny Newport Pagnell plant in the UK. And PSA Peugeot Citroën shut its assembly plant in Rung, England.

In central Europe, the last of a spate of new plants announced early this century will open in 2009.

Other new plants are still in the early stages of startup production and will not reach their ultimate intended size for several years. But no new plants have been announced in central Europe since 2005 and the area’s hopes for more facilities are starting to fade. However, several existing plants have been – or will be – expanded.

But the region’s six production states in Poland, the Czech Republic, Slovakia, Hungary, Slovenia and Romania – will be home to huge assembly plants.

Making plans a reality

Most of the new plants are sized for 300,000 units a year. When they reach full speed and others in the area complete ongoing expansions, 13 will have at least 400,000-unit capacity.

By 2010, except for Volkswagen group’s Hungarian assembly line for the low-volume Audi TT – a plant that is primarily a manufacture-engineering operation – the smallest operation in the region will be VW’s factory in Pomez, Poland, at 160,000 units.

MacRae said “300,000-unit capacity is pretty well established as a good maximum for a modern assembly plant.”

And he is not surprised that existing new EU plants are expanding.

“Sales levels were much lower when the plants were built,” MacRae said. “Now as sales take off, bigger plants reflect the higher sales potential.”

The East is hot, hot, hot

But the hottest area of factory building has become Russia and nearby eastern European countries.

Russia’s Decree 166 was designed to get foreign automakers to develop local production capabilities by giving them a tax break on imported parts and duty.

And it worked. By the September 15 deadline to apply, several more foreign-brand automakers had started or at least announced plans to build assembly plants in Russia.

By doing so, they avoid having to pay a 25 percent import duty on complete cars. As long as they agree to host local content to 40 percent within seven years, their duties on imported parts used to build cars in those Russian factories also are much lower.

In a price-sensitive market like Russia, reducing taxes paid is an important competitive advantage.

Just five years ago, Ford was the only foreign automaker to operate an independent assembly plant, although General Motors and Russian automaker AvtoVAZ had a joint-venture plant in Togliatti.

But since then, Toyota, GM, Suzuki, Volkswagen and Renault have opened or started plants in Russia.

In addition, Hyundai, Kia, GM, SsangYong and BMW have joint ventures with domestic partners or have forged manufacturing contracts with others to make vehicles in Russia.

This flurry of activity is fueled by Russian car buyers who are rapidly turning to foreign brands.

Last year for the first time, sales of foreign-brand cars surpassed domestic Russian sales by 150,000 units.

This year, Russian brands are flat, but foreign-brand cars are soaring, up 66 percent in the first eight months.

But Russia is not the only hot market in the region.

Two former Soviet-era states to the south are rapidly adding manufacturing capabilities.

Azia in Kazakhstan is adding 50,000 units of capacity to start production of the Chevrolet Epica, Captiva and Lascetti for GM.

The plant already can build 200,000 Daewoo models.

In Uzbekistan, a joint venture by GM, GM Daewoo and local producer UzAuto will add three Chevrolet models next year at a plant in Aqtau.

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