



THE ASSOCIATION OF INDONESIA AUTOMOTIVE INDUSTRY

# GAIKINDO NEWS

BIMONTHLY ■ BULLETIN VOL 02 YEAR 1 - MARCH - APRIL 2016

## Let's Make a Difference

30 April

### Teaching & Giving





## CHAIRMAN'S NOTE



**Mr. Yohannes Nangoi**

### Dear fellows,

A spark of optimism came ahead of the coming second semester of 2016. Indonesia is predicted to gradually be able to replace Thailand as a major automotive production center in South-east Asia (ASEAN). According to the Ipsos Global Automotive Sector Business Consulting, the potential was evident from the trend of vehicle production output, policy development, and improvement of infrastructure.

Indonesia will continue to increase production capacity, domestic market, and export volume as well. The potential poses major implications for manufacturers and suppliers of automotive parts. Despite the fact that Indonesia possesses installed production capacity up to some 2,000,000 units of vehicle per year, only about 62% of them is effectively utilised. This condition urges us to improve further investments for the manufacture of new plants or to increase the plant's capacity, given that the utilisation rate remains the same.

This optimism is something that we must maintain and use to encourage Indonesia automotive industry to be more active in making new breakthroughs. For example, to further strengthen the cooperation with the principal. This spirit has been echoed by the Government (Ministry of Industry). The Ministry encourages principals of automobile manufacturers to keep up with the Japanese car manufacturers that have always been

dominating the standings sales. And of course, this appeal is not only addressed to our fellows of European principals, but also from Korea, China, and the USA.

The lack the local content and local components in automotive products causes high car prices. The more principals producing in Indonesia, the more component industry will find it attractive to come and invest here. The arrival of automobile component industry to Indonesia will make car prices more easily enter the market.

In order to keep up with the prevailing momentum, GAIKINDO pays a great deal of attention to a number of activities, particularly the auto show of *GIIAS 2016 Series*. One event of *GIIAS 2016* has been implemented in Makassar (*GIIAS Makassar 2016*) on 18-21 May 2016. After that, GAIKINDO is about to enter the second event which also serves as the main the course of *GIIAS 2016 Series*, namely the *GIIAS 2016* at ICE (BSD) on 11 - 21 August 2016. And eventually the exhibition series will be in closing when GAIKINDO hosts the final series of *GIIAS 2016* in Surabaya on 28 September – 2 October 2016.

*GIIAS Makassar 2016* has shown better results than that in 2015. We are optimistic *GIIAS 2016* at the ICE and *GIIAS Surabaya 2016* will also show better performance. Efforts towards that ends have already been garnered by GAIKINDO by bolstering better communication with a number of stakeholders.

With the Government (Ministry of Industry), GAIKINDO always strengthens a mutual cooperation. GAIKINDO also conducted a series of road show to mass media in order to foster better common ground. And last but not least, GAIKINDO has paid a community service through CSR activities in the fields of education and health for the benefit of school children and community. And we thank the Government, the media, the community who in return have offered a positive response to our cause. ■

Regards,

**Yohannes Nangoi**

## GAIKINDO

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Correction of cover's title of previous edition.



## INDICATORS

### Car Production

in Indonesia Jan-April 2016

Sedan	: 13,978 units
4 x 2	: 225,675 units
4 x 4	: 4,926 units
Bus	: 2,008 units
Pickup	: 58,657 units
Truck	: 23,482 units
Double Cabin	: 0 units
LCGC	: 59,443 units



**Total : 388,169 units**

### Car Sales

in Indonesia Jan-Apr 2016

Sedan	: 4,854 units
4 x 2	: 215,334 units
4 x 4	: 1,893 units
Bus	: 993 units
Pickup	: 49,182 units
Truck	: 21,620 units
Double Cabin	: 2,775 units
LCGC	: 55,260 units

**Total : 351,911 units**



#### Car Export from Indonesia Jan-Apr 2016

- CBU : 55,688 units
- CKD : 50,395 sets
- Components : 1,958,696 pieces

#### Car Import to Indonesia Jan-Apr 2016

- 28,144 units (CBU)



#### Length of Road 2014

(by Level of Government Responsibility)

National	: 38,570 kilometers
Province	: 53,642 kilometers
District/Municipality	: 415,848 kilometers

#### Length of Roads 2014

(by Surface Type)

Asphalt	: 295,968 kilometers
Non-asphalt	: 221,695 kilometers
Total	: 517,663 kilometers

Source: Ministry of Public Works and Provincial/Regency Public Works Offices



#### New Cars in Indonesia's Market in 2016

1. Audi A4 All-new
2. BMW 3 Series
3. Chevrolet New Captiva
4. Daihatsu Ayla MPV
5. Honda BR-V
6. Land Rover
7. Mazda CX-3
8. Mercedes Benz V Class MPV
9. Mitsubishi All-new Pajero Sport
10. Mitsubishi New Mirage
11. Suzuki Ertiga Dreza
12. Suzuki Karimun Wagon R
13. Toyota Agya MPV
14. Toyota Fortuner All-new
15. Toyota Sienta



#### BI Rate 2016

- Jan 7.25
- Feb 7
- Mar 6.75

BI Rate applicable officially as the benchmark interest rate since 2005.

Source: Bank Indonesia.



#### Domestic Economic Performance Q1 2016

- Economic growth: 4.92% (from 4.63% in 2015 Q1)
- Contribution to Gross Domestic Product:
 

Java	: 58.91%
Sumatra	: 22.15%
Kalimantan	: 7.67%

Sources: BPS



#### Indonesia's Car Population 2014

12,599,138 Passenger
2,398,846 Bus
6,235,136 Commercial

Source: Traffic Corps Indonesian National Police

# GIIAS 2016 Knocking on the Door

## *"Green Technology for a Better Future"*

The official auto show in Indonesia, *GAIKINDO Indonesia International Auto Show* (GIIAS) 2016, is on the doorstep. *GIIAS 2016* will take place on 11-21 August at ICE Building, BSD City, Jakarta outskirt. Various preparations have been accomplished by the host, The Association of Indonesia Automotive Industry (GAIKINDO), in cooperation with the event organiser Seven Events.

*GIIAS 2016* in BSD City is one of the three

series of exhibitions by GAIKINDO in 2016. Two other exhibitions are *GIIAS 2016 Makassar* (South Sulawesi) and *GIIAS 2016 Surabaya* (East Java).

GAIKINDO also realised that it needs to strengthen communication with the Government (Ministry of Industry). GAIKINDO spent a special occasion to meet the Minister of Industry Mr Saleh Husin. This is in accordance with the statement of GAIKINDO Chairman Mr Yohannes Nangoi that one of

the primary missions GAIKINDO is to continue better partnership with the Government to promote the Indonesian automotive industry.

The meeting with Minister of Industry took place at the Ministry's office on 11 May 2016. GAIKINDO delegate consisted of GAIKINDO 1<sup>st</sup> Chairman Mr Jongkie D Sugiarto, 2<sup>nd</sup> Chairman Mr Rizwan Alamsjah (who is also Chairman of the *GIIAS 2016*), General Secretary of GAIKINDO Mr Kukuh Kumara, and Mr Andy Wismarsyah (chairman of *GIIAS 2016* event organiser). They were received by the Minister of Industry Mr Saleh Husin who was accompanied by Director General of Metal, Machinery, transport equipment (ILMATE) Mr I Gusti Putu Suryawirawan.

In essence, during the meeting GAIKINDO reported on the preparedness of *GIIAS 2016*. Minister of Industry expressed its support to GAIKINDO in regard with the 24<sup>th</sup> exhibition that GAIKINDO ever holds. "This year is more focused, I'm sure will be a success," said Mr Jongkie D Sugiarto. ■



### Official support from OICA



*GIIAS* is the only auto show in Indonesia that is recognised by GAIKINDO with endorsement from the Association of International Automotive Industry (Organisation Internationale des Constructeurs d'Automobiles, OICA). The Paris-based organisation only gives support to its members. GAIKINDO has become member of OICA since 2006. With GAIKINDO joining OICA, *GIIAS* entered a league of major auto exhibitions such as that in Tokyo (Japan), Geneva (Switzerland), Los Angeles and Detroit (USA), Frankfurt (Germany), and Beijing (China).

In addition to raising the prestige of Indonesia in the international arena, the presence of OICA in providing endorsement to *GIIAS* also allows manufacturers to launch new product or concept vehicles in convenient schedule that will not clash with exhibitions in other countries. Currently there are 18 accredited international auto shows that find endorsement from OICA. ■

### GIIAS to Foster Growth of Automotive Industry

As a part of three-event exhibitions, *GIIAS* in 2015 managed to create 21,658 deliveries and booked transaction of IDR 6.3 trillion. *GIIAS* in 2015 also contributed to additional sales of cars in Indonesia domestic market. GAIKINDO saw domestic car wholesales rise after falling during the first half of 2015 compared to the same period of 2014. In the period from August to November 2015 averagely sales reached 90,000 units per month. Thus, wholesale sales January-December 2015 totaled 1,013,291 units— thanks to extra sales during the three events of *GIIAS 2015*.

*GIIAS* been a mainstay for the sole agents (APMs) for launching and promoting their latest models. There are at least 10 new cars are ready for launch in *GIIAS 2016*. New brands such as Wuling reportedly will use the exhibition a momentum to introduce its new multi-purpose vehicle (MPV). Other brands from Japan and Europe will also launched their latest models to Indonesia market during *GIIAS 2016*. ■





**GIAS Makassar**  
18 – 22 May 2016  
Four Points by Sheraton Makassar

**GIAS 2016 (BSD City)**  
11 - 21 August 2016  
Indonesia Convention Exhibition (ICE) BSD City

**GIAS Surabaya**  
28 September – 2 October 2016  
Grand City Surabaya



**GIAS 2016** is 24th car exhibition by GAIKINDO since **1986**  
There are five national holidays throughout GIAS 2016 (including **17 August** the Anniversary of Indonesia Independence Day)

GIAS 2015 Series booked **21,658 units**  
and transaction of **IDR 6.3 trillion**



Targeted visitors:  
**450,000 people**



Admission fee:  
Monday-Thursday:  
**IDR 50,000**  
Friday-Sunday:  
**IDR 70,000**



Targeted transaction:  
**IDR 5.7 trillion**



32 brand participants:  
**26 passenger brands**  
**6 commercial brands**



**Motorcycle**  
participants  
in GIAS 2015:  
BMW, Yamaha,  
Honda, Kawasaki,  
Royal Enfield,  
Triumph

Total area: **96,577 square meters**



**22,000 workers**  
involved directly  
throughout the  
exhibition (proving  
that GIAS helps boost  
economic growth from  
hotel, restaurants, and  
transport sectors)

"GIAS is the only exhibition by GAIKINDO. GIAS is endorsed by OICA, the world automotive body and an exhibition of the world agenda in line with such world-renowned auto show in Frankfurt, Geneva, Paris, Detroit, Tokyo, Beijing." GAIKINDO Chairman, Mr Yohannes Nangoi

# GIIAS Makassar 2016

## Booking IDR 268 Billion

### 18-21 May 2016

Committee of GAIKINDO Indonesia International Auto Show (GIIAS) Makassar 2016 released a statement that the car exhibition turned successful. It reportedly attracted 22,324 visitors and booked some IDR 268 billion transaction. Director of Seven Events (the organiser of the event) said that 1,086 cars were sold during the exhibition. "This goes beyond the achievement the previous auto shows," he said.

The exhibition at place at the Four Points Sheraton Makassar epitomizes potential of automotive market is in eastern areas of Indonesia. "We are very proud of the results during the *GIIAS Makassar 2016*."

A1R Events' director Mr Yusuf Ungsi (Seven Events' partner) said the new venue helped promote the exhibition attract visitors' interest. "The new venue provides experience and comfort, both for the participants and visitors."

*GIIAS Makassar 2016* took place on 18-22 May 2016 with the concept

and the new venue at Four Points by Sheraton, Jalan Landak Baru No 130 Makassar. The venue with international standards conveniently sits in the downtown area of Makassar and traverses the main axis of the city. Four Points by Sheraton is the perfect location for *GIIAS Makassar Auto Show* in 2016.

GAIKINDO will continue *GIIAS 2016 Series* on August 11-21 at Indonesia Convention Exhibition (ICE) Building, BSD City, and followed with *GIIAS Surabaya 2016* on 28 September – 2 October 2016. ■



**GIIAS**  
**MAKASSAR**  
**AUTO SHOW**  
2016

**18-22 MEI 2016 ■ FOUR POINTS**



**South Sulawesi Province**  
Capital : Makassar  
(the main gateway to eastern areas of Indonesia, after Surabaya)  
Square : 46,717 kilometers  
Population (2014) : 8,432,200 people  
PDRB 2014 : IDR 35.59 million

**Best Awards Go to:**  
Favourite Car by Visitor (Toyota All New Sienta)  
Favourite Carin Test Drive (All New Mitsubishi Pajero Sport)  
Favourite Booth Design over 200 square meters (Honda)  
Favourite Booth Design under 200 square meters (Mitsubishi Motors)  
Booth favorit pengunjung (Mandiri Tunas Finance)

**Roads (2013):**  
Total : 32,432 kilometers  
Nasional Roads: 1,556 kilometers  
Province Roads: 1,147.51 kilometers  
District/Municipal Roads : 29,616 kilometers.

**Toll Roads:**  
Makassar : 6.05 kilometers  
Makassar-Airport: 11.57 kilometers

**Participants: 15 APM anggota GAIKINDO**  
**13 passenger cars:**  
Datsun, Daihatsu, Ford, FIAT, Honda, Jeep, KIA, Mercedes-Benz, Mitsubishi Motors, Nissan, Renault, Suzuki, Toyota

**2 commercial cars:**  
Mitsubishi Fuso, Tata Motors



# GIIAS Surabaya 2016

## 28 September – 2 October 2016

In addition to Makassar (South Sulawesi), *GIIAS 2016 Series* also takes place in Surabaya (East Java). Meanwhile, the main event of the exhibition (*GIIAS 2016*) is held in the ICE. The *GIIAS 2016* is about to take place at the Grand City Convention and Exhibition, from 28 September to 2 October 2016.

This year Surabaya for the second time is chosen to host a car show as a part of the *GIIAS 2016 Series*. Last year, *GIIAS Surabaya 2015* turned successful. Throughout the exhibition from 9

to 13 December 2015, visitors showed a promising response. The *GIIAS Surabaya 2015*'s success also came from the support of local governments, both from Surabaya Municipality and East Java Province.

Like Makassar, Surabaya is one of the provinces that GAIKINDO perceives to have huge potential for automotive industry development. East Java is also a contributor to domestic car market over the years (16%). Besides supported with a population (38.85

million in 2015), East Java also has a strategic geographical position economically.

East Java neighbors with three provinces that have economic potential, namely Bali, Central Java, and Yogyakarta— from which visitors of *GIIAS Surabaya 2016* are expected to come. Surabaya, with the airport and the harbour facilities of international caliber, also plays a crucial role in the socio-economic veins of the country. ■

### GIIAS Surabaya 2015

Total Visitors : 30,298 people  
Expected visitors : 20,000 people  
Deliveries : 1,193 units  
Transaction : IDR 323 billion  
Participants (15 brands): Daihatsu, Datsun, Fuso, Honda, Hyundai, Isuzu, Lexus, Mazda, Mercedes-Benz, Mitsubishi, Nissan, Renault, Suzuki, Tata, Toyota.

### East Java Province

Square : 47,800 kilometers  
Capital : Surabaya  
Population 2015 : 38,847,561 people  
Gross Regional Domestic Product 2014 : IDR 39.9 million



### Car Population 2014

Passenger Cars : 910,132 units  
Commercial Cars : 408,894 units  
Buses : 30,490 units  
Special Purpose Vehicles : 10,523 units.  
Source: Traffic Directorate, East Java Police Department



### Province Road Length 2014

(1,760,912 kilometers)  
Good : 983,522 kilometers  
Moderate : 588,420 kilometers  
Broken : 178,470 kilometers  
Severely broken : 10,500 kilometers  
Source: Bina Marga, Public Works, East Java



### Toll Roads:

Gempol-Pandaan : 13.61 kilometer  
Solo-Ngawi : 90 kilometers  
Waru-Juanda : 12.8 kilometers  
Kertosono-Mojokerto : 14.7 kilometers  
Surabaya-Mojokerto : 2.3 kilometers



### Neighbouring Provinces:

Central Java  
Yogyakarta  
Bali





# Domestic Sedan Production for Developing Markets

Production of sedan has become the choice for Indonesia's automotive industry in its rally to make a breakthrough of its market. GAIKINDO sees that domestic sedan production can be the key of opportunity for Indonesia car industry to grow.

The opportunity comes from the open abroad market: export. That means, GAIKINDO will use export as enhancement platform of the national automotive industry amidst the clogged domestic market.

Car export from Indonesia so far mostly relies on MPV models. MPV has been massively manufactured in Indonesia, thanks to Indonesian government's early choice on MPV as a platform base of car production

in Indonesia. And it continues today, where Indonesia has become fertile ground for MPV production and market. MPV production and exports from Indonesia are mainly practiced by Toyota-Daihatsu, Isuzu, Suzuki, and Hyundai.

In order to make successful export, sedan makers should follow MPV's path, by doing two importantly basic things first: to strengthen the production base in Indonesia and to secure their domestic market. To strengthen production and market in Indonesia, sedan should be competitive. For that reason, GAIKINDO needs to make closer cooperation with the government. GAIKINDO since October 2015, for instance, has been suggesting that

the government should help facilitate the production and sedan market in the country.

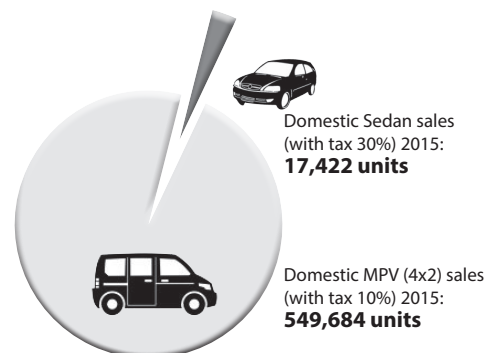
Beberapa cara yang bisa ditempuh antara lain memangkas pajak sedan dari 30% menjadi 10%, memangkas bea impor bahan baku. Langkah tersebut sudah GAIKINDO lakukan sejak Oktober 2015, dan masih terus melakukan negosiasi dengan pemerintah untuk mendapatkan kesepakatan. ■

There are points where the government can start, including to cut taxes for sedan from 30% to 10%. Other incentives— in the form of tax holidays— is under way for both parties between the government and GAIKINDO to deal with. ■

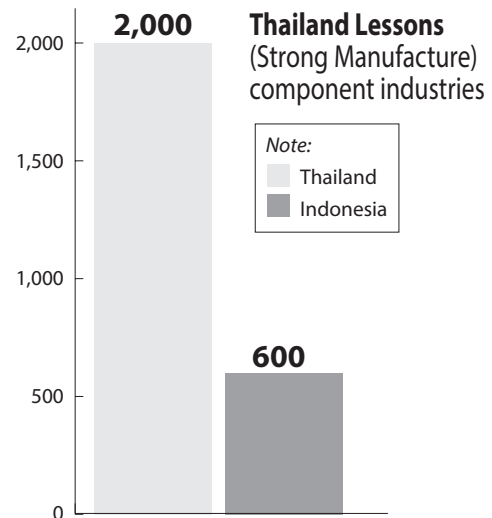
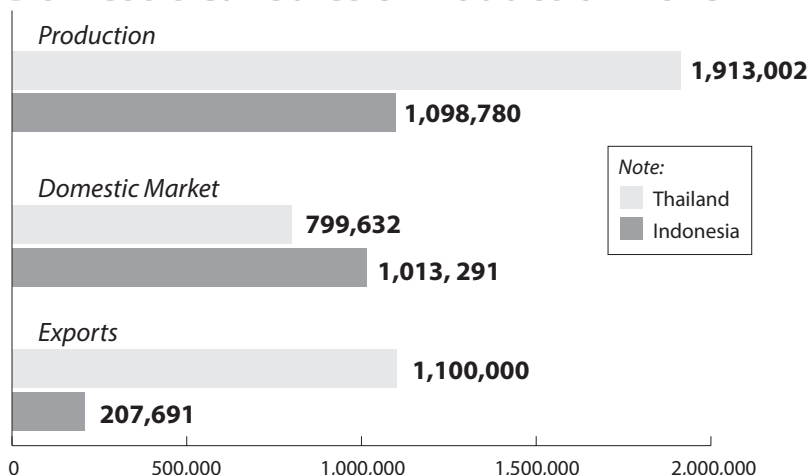
## ■ Regulation GAIKINDO urges the Government to revise: The Government Regulation Number 41/2013

### ■ Why industry needs to push domestic sedan production:

- Domestic market seems reluctant (1,013, 291 units in 2015, down from 1,2 million units in 2014)
- Idle capacity (only 50% effective, with total capacity 1.9 million units/year)
- Economic growth is centered in Java (60%). Other islands need developing to create new market and to control vehicle population in Java
- To create more work forces. Nowadays automotive sector gives jobs to 1.3 people
- Automotive sector contributes IDR 70 trillion from taxes to Central Government
- Automotive sector provides routine IDR 31 trillion from local tax incomes to local governments.



## Domestic Car Sales & Production 2015





## MARKET

# It only Takes 2 Years for LCGC to Pursue MPV

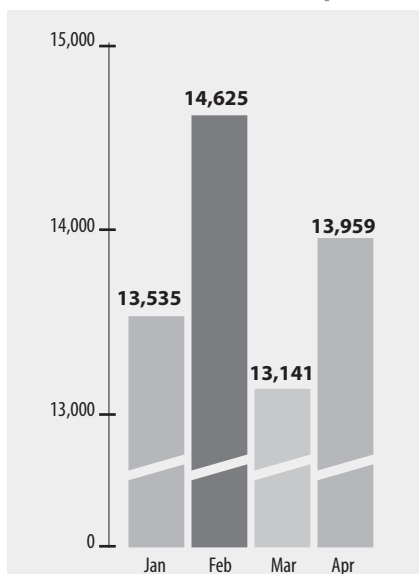
LCGC sales in Indonesia shows phenomenon. Since the government passed a regulation on LCGC production and sales in 2013, the model creates a fertile domestic market. LCGC's total sales are only outdone by the MPV model which has been dominating Indonesian domestic car market.

Some brands that follow the LCGC programmes include Daihatsu, Datsun, Honda, Suzuki, and Toyota. LCGC's promising performance continues in 2016. In the first four months, sales figures of LCGC increase. After successfully strengthening the production and market platform in the domestic market, LCGC begins to penetrate the export market to the Philippines, Malaysia, and Pakistan.

### LCGC history

LCGC programme was launched on legal basis of *Government Regulation No. 41 in 2013 on Taxable Luxury Goods Category of Motor Vehicles Subject to Sales Tax on Luxury Goods*. This regulation was signed by the Minister of Industry Mr MS Hidayat on 1 July 2013. The authorisation was conducted by the Ministry of Justice and Human Rights on July 5, 2013.

LCGC Domestic Sales Jan-Apr 2016



Entering the third year since the launch of LCGC programme, some manufacturers make preparations to rejuvenate the model. Renewal is made not just about features, but also the loading capacity. For instance, it is likely to transform from 5-seater hatchback to 7-seater.

In general, the LCGC programme aims to save energy consumption and utilisation of alternative energy. This rule says that government provides exemption of luxury goods sales tax (sales tax) to producers of LCGC.■

### LCGC attracted investment USD 6.5 billion:

Component industry: **USD 3.5 billion**  
Assembly plants : **USD 3 billion**

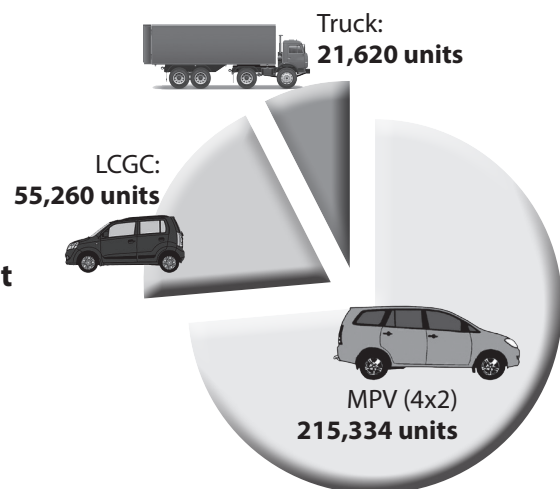
LCGC has created direct **30,000 work** forces in manufacture sector, and **60,000 work** forces in distribution sector

LCGC has created **new 80 component** industries.

### LCGC Producers:

Daihatsu (Ayla)  
Datsun (Go+ Panca)  
Honda (Brio Satya)  
Suzuki (Wagon-R)  
Toyota (Agya)

Total domestic sales Jan-Apr 2015:



## INFORMATION IN BRIEF

### BMW X1 Assembled in Indonesia Rolling out

BMW Indonesia launched the second generation of all-new BMW X1 Sports Activity Vehicle (SAV) compact in Indonesia. The All-new BMW X1 is assembled in Indonesia through a joint partnership with Gaya Motor. It comprises two variants, sDrive18i (priced at IDR 619 million) and sDrive18i Xline (IDR 659 million). BMW invested a new capital of € 3.5 million (IDR 62.65 billion) to develop and improve the car assembly plant in Sunter (North Jakarta). BMW Group Indonesia is targeting growth of car assembly by 17.35% to 2,400 units. With the additional capital, the total investment of BMW in Indonesia rose to € 11.5 million (IDR 212.65 billion). BMW started investing € 8 million in Indonesia in 2011. ■

### Daihatsu Clay Modeling Workshop for Lecturers

PT Astra Daihatsu Motor (ADM) addresses the industrial product design by organising a clay modeling workshop for lecturers of various universities for 10 weeks at the National Institute of Technology (ITENAS) Bandung (West Java). Entitled "360 degree of Model Making in Automotive Industry", the workshop was opened by the Rector of ITENAS Mr Imam Aschuri in early June and took place every Saturday during 10 meetings. The opening was attended by Chairman of the Indonesian Association of Industrial Product Designers Mr Adhi Nugraha, Executive Officer of Research and Development ADM Mr Pradipto Sugondo, and Executive Officer of Research and Development (R&D) ADM Mr Yosuke Sakaguchi. ■

### Hino Switching to Bus Sales

PT Hino Motors Sales Indonesia will boost bus sales. President Director of PT Hino Motors Sales Indonesia Mr Hiroo Kayanoki on March said commercial vehicle market is declining. Sales of truck in mining sector dropped precipitously due to the sluggish mining industry in Indonesia. In January Hino saw sales in Indonesia fell 23%. Demands for bus characteristically rises during Eid and the end of the year. Hino's bus sales are currently contributing to 8% of total domestic bus sales. Small buses are favourite among customers as they can deliver passengers more quickly and efficiently. ■

### 10% to Completion of Mitsubishi's New Plant

Mitsubishi's new plant in Greenland International Industrial Center, Deltamas, Bekasi (West Java) is 10% nearly completed. The plant was built with a joint venture between KTB and its Japan Principal Mitsubishi Motors Co, under the name of PT Mitsubishi Krama Yudha Motors Indonesia (MMKI). The plant has production capacity of 160,000 units per year. It is designated to produce 80,000 units of small MPV, 30,000 units of commercial cars L300,

and 30,000 units of SUV All New Pajero Sports. The first mass production of the All-new Pajero Sports will reach 30,000 units per year. Thus, from April 2017 KTB will stop exporting the All New Pajero Sports from Thailand, replacing with those manufactured in the new plant. The plant will optimize its annual production capacity up to 240,000 units. ■

### Mercedes-Benz' Latest SUV Produced in Bogor

Mercedes-Benz started assembling of its sport utility vehicle (SUV) series GLC with 2.1 litres 4-cylinder engine at a factory in Wanaherang, Bogor (West Java). The GLC assembly proves competency of the plant in manufacturing a world-class product, said President of Mercedes-Benz Indonesia Mr Guenter Haefele in May 2016. The GLC into products passenger car assembled in sixth Mercy Indonesia. Mercedes-Benz' five other models have been manufactured in Wanaherang plant, namely the sedan C-Class, E-Class, S-Class; M-Class SUV which was retired; GLE and SUV models. The whole products are completely knocked-down due to the components are still imported from Germany. GLC series was introduced in the GIIAS 2015. ■

### Toyota Developing Engineering Education Center

Toyota Motor Manufacturing Indonesia (TMMIN) invested IDR 23 billion to establish a centre for engine education named "TMMIN Learning Center" (TLC) in its engine production area in Karawang (West Java). The third TLC is equipped with modern machine lab tools, reliable human resource, and certified trainers. President Director of PT TMMIN Mr Masahiro Nonami in March said the TLC is also be used as a training ground for local suppliers and an educational institution. The new TLC serves as centre for of human resource development responsible to improve the quality products globally. ■

### UI Students' Cars Winning in Manila Contest

Students of the University of Indonesia (UI) won a competition of fuel-efficient cars in "Shell Eco Marathon (SEM) Asia" in March in Manila (the Philippines). Two cars assembled by UI students managed to become the best in urban concept gasoline car category and gasoline prototype car category. A car nicknamed "Kalabia Evo 5" managed to break the Asian record with the achievement of one liter of petrol for 275 kilometers. Another car ("Keris RVII") reached mileage 792 kilometers per liter. "SEM Asia 2016" was attended by 117 teams from 17 countries in Asia, the Middle East, and Australia. Representatives from Indonesia consisted of delegates from the University of Brawijaya (Malang, East Java), Surabaya Institute of Technology (Surabaya, East Java), University of 11 Maret (Solo, Central Java), Bandung Institute of Technology (Bandung, West Java), and UI. ■



## WORLD NEWS

### Nissan Acquiring 34% Mitsubishi's Shares

Nissan Motor Company purchased 34% stake in Mitsubishi Motors Corporation (MMC) worth 237 trillion yen. The share buyback while extending the cooperation between Nissan and Mitsubishi during the last 5 years. Chief Executive and President of Nissan Carlos Ghosn said in May 2016 with the new contract, Nissan will buy 506.6 million MMC shares at a price of 468.52 yen per share, making Nissan the largest shareholder in Mitsubishi. MMC and Nissan hope that Mitsubishi Heavy Industries, Mitsubishi Corporation, and The Bank of Tokyo-Mitsubishi UFJ will fix collective ownership in Mitsubishi Motors and support the strategic alliance. ■

### Expansion of the Russian Automotive to ASEAN

Russia is developing new car manufactures in Vietnam as an entrance to ASEAN market. Russia and Vietnam agreed on April to manufacture several brands in Vietnam— including Gaz, Kamaz, and Sollers— that will get a number of features in terms of the import quota and duty-free. This year 800 units vehicles will be imported to Vietnam from Russia through duty free mechanism. The plants in Vietnam will produce buses, trucks, special vehicles, light commercial vehicles, and passenger cars. In the first phase, 2,550 units of vehicles will be imported during the next three years, and 13,500 car components within five years. Localisation of production will reach 50% in 2025. This agreement is the first joint project of the free trade zone among Eurasian Economic Union (EEU) members led by Russia. ■

### India, Norway, Netherlands Want 100% Electric Vehicles

India's Road Minister says the country will have 100 percent electric vehicles by 2030 to follow Norway and Netherlands. Norway began looking into requiring all new cars to be fully electric starting in 2025. And before long, the lower house of Dutch Parliament supported a motion last month to ban sales of new petrol and diesel cars starting in 2025. Like the Norwegian plant, the Dutch proposal is not yet law – and it still faces some opposition domestically (report in Dutch). Significantly, the People's Party (VVD) – the largest in the country and head of the current governing coalition – finds the idea "unrealistic." But other parties point out that the Dutch Energy Act expires in 2023, so a ban on diesel and gasoline vehicles afterwards would not require that Act to be revised. With oil prices now down considerably, however, it is questionable whether the savings will be enough to pay for the batteries alone, which need to be replaced. Tesla apparently offers an eight-year battery warranty with unlimited miles, but generally it is assumed that such

batteries will need to be replaced after around 150,000 kilometers. ■

### Thailand-manufactured Cars Swarming Neighbour

Thailand car exports to Vietnam rose 30% due to import agreement among fellow ASEAN members. Thailand outperformed exports from Indonesia, China, and South Korea. Thai exports to Vietnam in the first quarter of 2016 reached above 7,800 units, up by 64.5% over the same period in the previous year. These records have to do with the preferential import tax treaties that apply to all member countries of ASEAN. Under the agreement, tax of imported vehicles is falling from 50% to 40% in 2016, then going down again to 30% in 2017 and 0% in 2018. According to Vietnam Customs, imported cars reached 19,700 units in the first quarter of 2016 (USD 486 million), down 16.8% compared to last year. The decline occurred in almost all types of vehicles, except trucks which rose 16%. ■

### European Cars Eyeing Myanmar Market

Myanmar car market begins to be at the glance of world's car makers. Volkswagen and Citroen are just entering Myanmar through cooperation with local manufacturers to catch up with Asian manufacturers that have been previously operated. Axel Oberdiek, Head of VW Southeast Asian Operation said VW is opening the first showroom in Yangon, Myanmar's largest city. They will sell a variety of models, with first-year sales target of 150-200 units. Earlier, Nissan arrived to assemble cars in Myanmar this year. This expansion is made to increase consumer niche Southeast Asia are predicted to reach 50 million potential buyers. Citroen (France) is entering Myanmar through cooperation with local dealers Seven Stars Motors Industry which has the largest network of car sales. Seven Star— with 10 showrooms in seven cities— also cooperate with Kia Motors and Hyundai Motor since 2012. ■

### Tesla Expecting Half Million Electric Car Production

Tesla Motors will accelerate mass production of sedan Model 3 based entirely on electric technology. They target in 2018 there will be at least 500,000 electric sedans to produce. This production plan is two years ahead of Tesla's original plan. Tesla Chief Executive Elon Musk said capital expenditure will increase by 50% (USD 2.25 billion) more than the previous year. This year, Tesla is also targeting to produce 80,000 to 90,000 units of electric cars. The carmaker not only has advantages in technology and design, but is also strong in manufacturing. In 2020 Tesla is predicted to reach up to one million units of cars to produce. ■

# GIAS 2016 Educare for Pupils and Community



GAIKINDO Indonesia International Auto Show 2016 (GIAS 2016) continues its commitment to contributing support to the education of the younger generation of Indonesia through a series of social program named "GIAS Educare". This year, the GIAS Educare launched a series of programmes for community service to two primary schools— one in Tangerang (Banten), one in Bogor (West Java).

GIAS Educare is one of a series of events organised by GAIKINDO in order to welcome GIAS 2016. GIAS Educare is a CSR programmes to provide support for the education of pupils of primary schools. The programmed were delivered through a partnership between GAIKINDO, Seven Events (GIAS event organiser), dentists, doctors, and "Komunitas 1.000 Guru" (Community of 1,000 Teachers). The latter is a non-profit community that helps disadvantaged children in rural parts of the country.

"Through this social programme, we visit the schools that still need support to achieve better educational



activities in which students can learn by means of adequate and proper facilities of the school," said Mr Kukuh Kumara, General Secretary of GAIKINDO.

To achieve good learning activities for students, GIAS Educare prepares a number of tools that can help teaching and learning activities— such as sports equipmentz, stationery, bags, supplies of worship, as well as tables and benches for pupils and teachers. "GIAS Educare and donations are aimed at providing benefits to the educational activities of students and teachers and to realise their hope to have a school with better facilities," he said.

Mr Andy Wismarsyah, President of Seven Events, said the programmes

were blended in a theme called 'Teaching and Giving'. "We also will be bringing the pupils to be present and witness the splendour of GIAS Exhibition 2016," said Mr Andy.

In addition to the 'Teaching & Giving', GIAS Educare also organised free medical consultations for students and the surrounding community. "We hope GIAS Educare mission and our support is useful for pupils and the community around the school. Hopefully the students can learn well and are motivated directly derive their ideals even higher," said Mr Andy.

He expressed gratitude for the support by some APMs of participants of GIAS 2016. "Daihatsu, Nissan, and Renault which supported transport for a full day," he said. ■

**GIAS Educare** is a CSR programme to provide support for the education of pupils of primary schools.

<p><b>Theme</b> : Teaching and Giving</p> <p><b>Partner</b> : Komunitas 1.000 Guru (Community of 1,000 Teachers)</p>	<p><b>GIAS Educare in Tangerang</b></p> <p>Date : 29 April 2016</p> <p>School : Mathalul Anwar Islamic Primary School</p> <p>Pupils : 168</p> <p>Location : Kemiri Village (Karang Anyar, Tangerang, Banten)</p>	<p><b>GIAS Educare in Bogor</b></p> <p>Date : May 2016</p> <p>School : Miftahul Ulum Islamic Primary School</p> <p>Pupils : 138</p> <p>Location : Kampung Gombong, (Cibadak Village, Nanggung, Bogor, West Java)</p>
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