

### **Russian vehicle market has shrunk by 12% in May**

10.06.2014 / OIB Russia

According to Association of European Business (AEB) data, the Russian new automobile and light commercial vehicle market has shrunk by 12% in May, with 201,487 vehicles. Thereby, the number of cars and LCVs sold in Russia within the first five months of the year has reached 1,030,533 (-6%).

The president of AEB Car Manufacturers Committee Joerg Schreiber has made the following comment on the sales figures: "In May, we see a continuation of the weak sales trend broadly anticipated for the whole second quarter of the year. Overall market dynamics in April-May are very similar to the same period last year, marking two consecutive years of sales decline. To put things in perspective: In the record year 2012, combined sales in the April-May period exceeded current market performance by 19%.

Industry consensus is there are no reasons to believe in fundamental trend reversal any time soon. The best scenario under the given circumstances appears to be the absence of a further trend deterioration. June shall give us a clue about where the market is headed moving into the 2nd half of the year".

### **Automobile imports have gone down by 15.3% in Russia during the first four months**

09.06.2014 / AutoBusiness Review

According to data published by the Russian Federal Customs House, the automobile imports into the country have gone down by 15.3% by the end of January-April period, with 251,800 automobiles. The monetary value of the aforementioned imports is \$4.75 billion. The automobile exports of Russia have also fallen during the same period, by 23.6%, with 33,100 vehicles (\$420.7 million).

### **Continental has opened its engine components factory**

06.06.2014 / Avtostat

Continental has opened the engine components factory it has constructed in Kaluga. The facility, which was established with an investment of €24 million, right next to factories such as: Volkswagen, Volvo and PSA in Kaluga-Jug (south) Industrial Park, has the capacity to manufacture 1 million engine blocks, 500,000 fuel modules and 500,000 fuel ramp systems annually.

As one may remember, Continental had also established a tyre factory in Kaluga in 2013, with an investment of €240 million. In addition, the Continental affiliate ContiTech, a facility which manufactures air conditioning and hydraulic steering wheel systems, has commenced operations recently. Continental employs a total number of 1300 people throughout its facilities in Russia.

### **Nissan has started the test production of Pathfinder in its St. Petersburg factory**

04.06.2014 / Itar-Tass

According to Itar-Tass, St. Petersburg Nissan factory has started the test production of Pathfinder model automobiles. The annual holidays are taken between 30 June and 13 July in Nissan. It has been reported that the serial production of the model will start with the return of the workers from annual holidays.

Nissan will also start the production of new Qashqai within this year. Teana, X-Trail and Murano models are currently being manufactured at the factory. The amount to be spent in order to raise the existing capacity of 50,000 to 100,000 has been calculated as \$167 million.

### **AvtoVAZ is getting ready for new layoffs**

03.06.2014 / Vedomosti

According to Vedomosti newspaper, Russia's biggest car manufacturer: AvtoVAZ is getting ready for new layoffs, due to the negative trend in the market. The newspaper has reported that AvtoVAZ president: Bo Anderson has met the Samara Regional Governor: Nikolai Merkushin earlier in the week and informed him of new possible layoffs.

Andersson has expressed his concerns about the course of the market with the following words: "We have manufactured only 28,000 automobiles in May. The April figure was 42,000."

The company had previously decided to lay off 7500 employees and parted company with 2500 people, consisting of directors, experts and workers, with mutual consent. Currently, even this 7500 figure is not enough for the directors of AvtoVAZ.

### **Alexei Rakhmanov has left the automotive scene**

30.05.2014 / Kommersant

As reported by Kommersant, one of the leading figures in Russian automotive: Alexei Rakhmanov will not be taking part in the industry anymore. The Vice Minister in charge of Industry has been appointed as the Chairman of United Shipbuilding Corporation (OSK). The Deputy Prime Minister Dmitri Rogozin has signed the relevant government decree and replaced Vladimir Shmakov with Rakhmanov as the Head of OSK, before the end of his tenure.

Alexei Rakhmanov had run the automotive department of the Ministry of Industry and Commerce between the years 2008-2012 and played an important role in the political configuration of this field.

### **The merger of KamAZ and MAZ seems unlikely**

26.05.2014 / Gazeta.ru

The merging project of KamAZ and MAZ seems to have failed due to differences between Russian and Belarusian laws. According to sectoral experts, the negotiations have continued up to today thanks to the political agreement reached by the two countries previously. No real cooperation perspective exists between the truck manufacturers.

Belarusian Vice President Vladimir Semashko is of the opinion that upon request a series of amendments can be made in laws of both countries, in order to solve the problem. However, according to Semashko, the Russian side has doubts about the feasibility of such a scenario.

VTB analysts has made the following comment to Gazeta.ru news portal: “A few years ago KamAZ seemed to have been interested in the project, because they wanted to benefit from MAZ technology. However, the technology problem has now been solved with Daimler. Therefore, KamAZ has lost interest in MAZ. On the contrary, MAZ is still eager for the partnership, because the Russian market has key importance for the company.”

### **AvtoVAZ has started the production of Renault Sandero**

23.05.2014 / CARscope.ru

According to Russkiy Avtomobil portal, AvtoVAZ has started the serial production of Renault Sandero Hatchback. The model will be put on the Russian market in June. AvtoVAZ intends to increase the capacity allocated for new Logan and Sandero production to 170,000 by mid-2015. As one may remember, AvtoVAZ has started the production of new Renault Logan in Spring. On the other hand, Moscow based Avtoframos factory will continue the production of the old generation Logan and Sandero at least until the end of 2014

### **Great Wall will manufacture Haval in Tula**

22.05.2014 / Avtostat

Chinese Great Wall and Tula regional administration have signed an agreement in Shanghai on 20.05.2014. In accordance with the agreement, the factory will establish a factory in the region, in order to manufacture Haval brand automobiles. The press, welding, painting and assembly processes of the automobiles will be carried out at shops within the factory. The planned annual production capacity is 150,000 automobiles and the investment amount is 18 billion rubles. The factory, with a workforce of 2500 people, will be built within Uzlovaya Industrial Park. According to plans, the factory will commence operations in 2017.

### **The European Union has complained to WTO about the tariffs implemented on LCVs by Russia**

22.05.2014 / [Autonews.ru](http://Autonews.ru)

The European Union has complained to the World Trade Organisation about the customs tariffs implemented by Russia, on the light commercial vehicles imported from Germany and Italy. Currently, tariff rates between 23%-29.6% are being implemented on LCVs imported from these countries.

EU countries had sold Russia light commercial vehicles worth €100 million in 2012. However, following Russia's implementation of renewal tax, this figure started to decline. The Union officials started to take steps in the direction to lift this tax in the presence of EU last summer. The Russian officials have announced that although the complaints of EU are groundless, they are ready to negotiate the subject with WTO officials.

### **GM-AvtoVAZ has resumed production, following the price agreement with AvtoVAZ**

22.05.2014 / [Reuters](http://Reuters)

GM-AvtoVAZ has resumed production on 21.05.2014, following a one-month break. As reported by Reuters, via sources close to the company, GM has accepted the price rise implemented by AvtoVAZ, on supplied components. AvtoVAZ had demanded a price rise of 10,000 rubles per/set, to be refused by GM, who in turn stopped the production of Chevrolet Niva on 22 April. The sales of Chevrolet Niva have dropped by 12% in Russia by the end of the first four months of 2014, with 15,534 vehicles.

### **St. Petersburg automobile market has grown by 2% in April**

22.05.2014 / [Auto-Dealer-SPb](http://Auto-Dealer-SPb)

According to Auto-Dealer-SPb data, 63,335 new cars and light commercial vehicles have been sold in St. Petersburg within the January-April period (+1%). The April-only sales figure is 18,122 (+2%). As one may remember, the Russian vehicle market had shrunk by 4% during the first four months and 8% in April. In other words, St. Petersburg displays better dynamics, in comparison with the countrywide performance.

The share of St. Petersburg within the Russian vehicle market continues to rise. The 7.5% share of the first quarter has risen to 7.7% by the end of the first four months. The three best-sold brands of the city are being ranked as: Renault, Volkswagen and KIA, as in previous months. Lada occupies the sixth place.

### Truck and bus productions continue to decline in Russia

21.05.2014 / Rosstat

According to data published by Russian Federal Institute of Statistics: Rosstat, 613,000 automobiles have been manufactured in the country within the first four months of the year (-2.9%). The April-only car production figure is 166,000, on the other hand (-0.2%).

The number of trucks manufactured during January-April period has been announced as 47,100 (-23.3%). The April production figure is 17,700 (-21.6%). Finally, 11,100 buses have been manufactured during the first four months of the year (-28%). March production figure is 4100 (-28.2%).

### IzhAvto will manufacture Nissan Sentra and Renault Logan

21.05.2014 / Russkiy Avtomobil

The General Director of Izhevsk Car Factory (IzhAvto): Mihail Ryabov has announced that the production of a Nissan sedan model will start in August, to be followed by the hatchback version of the same model and the new generation of Renault Logan in 2015, during his interview with Russkiy Avtomobil portal. Ryabov has avoided giving any clues about the name of the Nissan model to be manufactured at the factory. However, this model is being predicted as Sentra.

The General Director has added that Lada Granta Sedan will be manufactured at the factory for the last time in May. IzhAvto will manufacture the hatchback version of the model from now on.

### Russian LCV market has shrunk by 10.8% in April

20.05.2014 / Avtostat

The sales of new light commercial vehicles have declined by 10.8% in Russia in April, with 13,025 vehicles. The number of vehicles sold during the first four months of the year is 43,945, on the other hand (-11.1%). Russian brands form 65.5% of this figure.

GAZ has become the leader of sales once again. The brand, which holds 48.2% of the market, has sold 6274 vehicles last month (12.7%). Another Russian brand: UAZ occupies the second place with 1697 vehicles (-20.5%). Lada is third with its Largus and VIS models: 1022 vehicles (+49%). April's best sold foreign brand LCV is Ford, with 778 vehicles (-22.7%). These four models are followed by Volkswagen with 679 vehicles (-24.6%).

### **Canadian government is putting pressure on Magna to end partnership with Avtotor**

15.05.2014 / Izvestiya

According to Izvestiya newspaper, the Canadian government has asked Magna to give up on the project, concerning the establishment of a new automobile cluster with Russian Avtotor in Kaliningrad. However, the company officials have turned down this request, on the grounds that great financial losses may occur, as a result of such a decision. The Chairman of Avtotor Holding: Valeri Draganov is the source of Izvestiya on this report.

Reportedly, Avtotor executives have informed the Prime Minister: Dmitri Medvedev about the situation, who in turn instructed his deputies to seek out countermeasures. As one may remember, Magna and Avtotor had come to an agreement to establish an automobile cluster in Kaliningrad Region, to be formed of 16 supply industry facilities, in addition to five car factories, in 2012. The total amount to be invested in the project has been proposed as 150 million rubles.

### **AvtoVAZ will start Lada Vesta production in September 2015**

15.05.2014 / Vedomosti

The Chairman of AvtoVAZ: Bo Andersson has announced that the production of Lada Vesta model automobiles will start on 25 September 2015. The model, which was designed on Lada B platform, will replace Lada Priora. Bo Andersson has stated that Vesta will be put on the market in four different options.

Andersson has added that the production of Lada X-Ray and X-Ray Cross models will start in 2016. The company has pronounced the names of these two models for the first time. AvtoVAZ is aiming to manufacture C-class automobiles and start the production of the new generation of Lada 4x4, within the frame of the “2020 Strategic Development Plan”. The company will start manufacturing six new models and renew five existing models until the year 2020.

### **Russian car and LCV market has shrunk by 8% in April**

14.05.2014 / OIB Russia

According to figures published by Association of European Business (AEB), 226,526 new cars and LCVs have been sold in Russia in April. Thereby, the market has shrunk by 8%, in comparison with April 2013. The number of cars and LCVs sold within the first four months of the year is 829,046, on the other hand (-4%). The Chairman of AEB Automobile Committee Joerg Schreiber comments: “After a brief spell of recovery, the market is falling back into negative territory. It is obvious that recent price increases forced by a weaker rouble are taking their toll on a consumer demand which had been fragile to begin with. In the framework of a sluggish economy, this situation is unlikely to change.”

### **Kiekert is making preparations for the opening of Naberezhniye Chelny factory**

13.05.2014 / [business-gazeta.ru](http://business-gazeta.ru)

Tatarstan Investment and Development Agency has announced that the car lock manufacturer: Kiekert will open its Naberezhniye Chelny factory today. The factory is established on 1500 m2 premises, in Master Industrial Park. It's planned to increase this area to 5000 m2 within the next few years. 70 employees will work at the factory at the first stage. The number of staff will increase to 240 in due course. The workforce will be trained at Kiekert factories in Germany and Czech Republic.

Kiekert is planning to manufacture 150,000 locks in the factory, annually. The primary customers of the factory are: GAZ, Ford Sollers and AvtoVAZ. 500 million rubles have been spent on the project, up to today. Kiekert is aiming to establish an engineering centre in Tatarstan in the forthcoming period.

### **Russian automobile imports have declined by 15.6% by the end of the first quarter**

12.05.2014 / [Prime](#)

According to data published by Russian Federal Customs House, the automobile imports to the country have declined by 15.6% during the January-March 2014 period, in comparison with the same period of the previous year, with 176,000 vehicles. The monetary value of these imports has been calculated as \$3.307 billion (-21.6%). The number of imported trucks has increased by 7% during the same period, with 18,700. The monetary value of the truck imports is \$533 million.

Russia has exported 23,500 automobiles within the January-March period, on the other hand (-25%). The total worth of these automobiles is \$305.1 million. The first quarter's truck exports figure is 3900 vehicles (+14.7%), with a monetary equivalence of \$101 million.

