

Russia may resort to protective measures

08.08.2014 / Vedomosti

Russian Prime Minister: Dmitri Medvedev has revealed plans to resort to several protective measures in automotive, ship construction and aviation industries, in case USA and EU continue with the sanctions. Medvedev has made the following statement: "In this, we will act consciously. The government is aware of the importance of cooperation in this field, therefore we will assess our opportunities in a realistic way." However, Medvedev has not given any solid information about the measures in question.

In recent years, thanks to inducements by the Russian government, all of the global players have established factories in Russia. However, the localisation rate in automobile production is below 50% in the country. A major part of automobile spare parts and components is still imported. Several manufacturers, who were consulted by Vedomosti newspaper, have stated that no limitation is expected on component imports. Protective measures are more likely to be implemented on already assembled automobiles. Accordingly, limitations may be applied to car imports from countries, which implement sanctions against Russia.

Japan is not included in the list of countries, food imports from which will be prohibited, announced by Russia the previous day. Car imports from this country is not expected to be prohibited, either. According to ASM-Holding data, Japan's share in year 2013 automobile imports figure of 791,856 was 182,000. Great Britain occupies the second place with 112,526 vehicles. The number of automobiles imported from Germany is 92,000. This trio is followed by Uzbekistan, Czech Republic, USA and Turkey.

The sector members, who were consulted by Vedomosti, draw attention to the fact that currently imports do not play a key role in Russian automotive. A great majority of automobiles sold in the country are manufactured domestically. According to ASM-Holding data, the share of imported cars in the market is 27%, trucks - 46% and buses - 13%, for the first half of 2014. These ratios tend to go down with increasing production of foreign brands in Russia.

VTB Kapital analyst: Vladimir Bespalov, on the other hand, is of the opinion that the automobile imports will drop by maximum 2%-3%, due to possible protective measures. According to Bespalov, the car manufacturers may choose to shift the imports to their factories in other countries, rather than sending the products directly from EU or USA.

Ford Sollers has started the production of new Transit

07.08.2014 / Avtostat

Ford Sollers has started the production of the new generation LCV model Ford Transit, in its Elabuga factory. The model has been put on the market with prices starting from 1.2 million rubles. Transit production in Russia had started early 2012, in Elabuga. Over 30,000 Transits have been manufactured at the factory, until today. The model is currently Russia's best-sold LCV.

Automobile imports have declined by 15% in Russia during the first six months

07.08.2014 / Avtostat

According to figures published by the Russian Federal Customs House (FTS), the number of automobiles imported to the country has declined by 15% within the first six months of the year, in comparison with the same period of the previous year, with 378,600 vehicles. The monetary value of this import is \$7.2 billion. The number of trucks imported within the January-June period, on the other hand, has declined by 15.3%, with 37,800 vehicles. Truck imports are equivalent to \$1.2 billion, in monetary terms.

Russian automobile exports have increased by 8.5% within the same period, reaching 67,500 vehicles. The monetary value of the aforementioned exports is \$784.4 million. In contrast, the truck exports have declined by 24.6%, with 8600 vehicles (\$211 million).

The shift to Euro-5 has been postponed for a year in Russia

06.08.2014 / Autonews.ru

The Russian Ministry of Industry and Commerce has extended the time limit given to car manufacturers for the shift to Euro-5 standards for another year. Accordingly, the manufacturers will be allowed to make production within the frame of the former procedure until 31.12.2015. Previously, the shift was planned to be completed by 31.12.2014.

The ministry has shown the poor fuel quality that may damage vehicle engines in some of the peripheral regions of Russia as the reason for the postponement of the shift.

Unipres is opening a factory in St. Petersburg

01.08.2014 / NAPI

Etalon Group affiliate: Etalon Promstroy and Japanese Unipres Corporation have signed an agreement, proposing the establishment of an automobile supply industry factory in St. Petersburg. The facility, which is planned to be completed within the fourth quarter of 2015, will be constructed on 12,300 m². Metal body parts will be manufactured at the factory, with an investment value of 2 billion rubles.

Unipres, which has ten factories in various countries, besides seven in Japan, manufactures pressed metal components, fuel tanks, transmission elements and various plastic components. Major Japanese car manufacturers such as: Nissan, Mazda, Honda and Isuzu are the main clients of the company.

The demand for automobiles manufactured in St. Petersburg has fallen by 6% during the first six months

06.08.2014 / ITAR-TASS

According to Auto-Dealer-SPb survey, the demand for automobiles manufactured in St. Petersburg has fallen by 6%, during the first six months of 2014. The sales figures of automobiles manufactured at the four factories established in St. Petersburg are as follows:

Hyundai – 102,754 (+%1), GM – 30,686 (-%29), Nissan – 18,965 (+%6) and Toyota – 16,187 (-%0,5).

As it can be seen from the figures, the sharpest decline has been observed in GM sales. The sales figure of automobiles manufactured at Ford factory, established in Vsevolozhsk near St. Petersburg, has fallen by 54% in comparison with the previous year, with 16,992 vehicles.

The agency analysts draw attention to the increase in Nissan sales, following the renewal of its model range, and the unchanging demand for Hyundai Solaris and Toyota Camry. The models manufactured by GM and Ford in Russia seem to have completed their natural lifespans. Moreover, the model renewal works in these two factories have been postponed to 2015.

Russian Ministry of Industry and Commerce is planning to revive the Automobile Renewal Programme

04.08.2014 / RBK

The Russian Minister of Industry and Commerce: Denis Manturov has announced plans to revive the renewal plans for shipping and aviation sectors, as well as the automotive sector, in his statement to RBK.

As one may remember, the automobile production had declined by 2.4% in Russia during the first six months of the year, with 909,600 vehicles. In the meantime, the production of foreign brands rose by 1.4%, in contrast with the 12.8% decline in the production of Russian brands. Manturov draws attention to the fact that the sharpest decline has been experienced in commercial vehicles production.

As is known, the Russian government had spent 16 billion rubles on the renewal plan implemented for the purpose of encouraging the sales in Russia, between the years 2010-2011. Manturov has stated that the ministry is on the search for extrabudgetary additional resources.

PwC: “Russian automobile market will shrink by 8-12% this year”

05.08.2014 / Avtostat

According to PricewaterhouseCoopers’ prediction, the shrinkage rate in Russian automobile market will rise to 8-12% during the second half of the year, from the first six months’ 7%. In other words, the optimistic annual automobile sales figure is being predicted as 2.39 million (-8%), as opposed to the pessimistic scenario of 2.3 million (-12%). PwC analysts point out the slowing down of the growth rate in Russian economy and the depreciation of ruble against other currencies -resulting in increasing automobile prices and more expensive car loans- as the factors behind the decline.

PwC anticipates the sharpest decline to occur in imported automobiles segment, with 15-20%. The decline is expected to be somewhere around 12-16% in domestic brand sales. The slowest decline is predicted in the sales of foreign brand automobiles manufactured in Russia, with 3-5%.

PwC analysts are of the opinion that the Russian market will have a moderate growth rate in the long run. According to the optimistic prediction, the market will repeat the 2012 sales figure of 2.8 million vehicles. The pessimistic scenario is that this figure will be achieved only in 2020. In order for the Russian automobile sales to reach 3.1-3.5 million level, one needs to wait till 2025.

PwC predicts that this year’s Russian automobile production figure will be the same as last year: 1.9 million vehicles. According to the pessimists, the figure will remain unchanged in 2015 as well. The optimists, on the other hand, anticipate a production figure of 2 million vehicles. PwC expects a countrywide production figure between 2.5-2.9 million automobiles for the year 2020.

Finally, PwC has calculated the monetary volume of the Russian market as \$31.5 billion for the first half of 2014, which indicates a 3% decline in comparison with the previous year. \$2.5 billion of this amount has been generated from the sales of Russian brands (-14%), \$16.5 billion from foreign brands manufactured in Russia (+15%) and \$12.5 billion from imported automobiles (-11%).

Volkswagen has manufactured 104,000 automobiles in Russia, within the January-June period

31.07.2014 / Avtostat

Volkswagen Group Rus has manufactured approximately 104,000 automobiles in VW Kaluga and at GAZ factory, during the first six months of the year. The company’s press office has highlighted the fact that there’s no intention to reduce the production, in its statement.

As one may remember, Nizhniy Novgorod based GAZ factory had started the production of Skoda Yeti for Volkswagen in February 2014. VW Kaluga factory, on the other hand, started manufacturing the new Skoda Rapid Liftback, during the same month. The production of Skoda Fabia has been discontinued.

Nissan has doubled its production in Russia within the first six months

31-07-2014 / ITAR-TASS

Nissan has increased its production by 90% in Russia during the first half of 2014, with 42,400 vehicles. The production has partly been made at the manufacturer's factory based in St. Petersburg and partly at AvtoVAZ. The brand has sold 82,300 automobiles in Russia during the first half of the year (+29%).

St. Petersburg Nissan factory currently manufactures Teana, X-Trail, Murano and Pathfinder models. The company also plans to start manufacturing Qashqai this year. AvtoVAZ, on the other hand, has been manufacturing Almera Sedan model automobiles for Nissan, since the end of 2012. IzhAvto will also start the production of a Nissan model, from Autumn onwards. Finally, Nissan Terrano is being manufactured at Renault Russia's Moscow factory (formerly: Avtoframos), since the beginning of this year.

St. Petersburg automobile market has shrunk by 3% during the first half of the year

28.07.2014 / Auto-Dealer-SPb

According to Auto-Dealer-SPb agency data, 94,550 new cars and light commercial vehicles have been sold in St. Petersburg within the first six months of the year (-3%). June, on the other hand, has become the month, where the sharpest decline has been observed on a monthly basis so far this year, with a sales figure of 15,588 vehicles (-11%).

The best selling three brands of the city in January-June period are ranked as follows: Renault - 8671 (-1%), Volkswagen - 7533 (-2%) and KIA - 6974 (+2%). The fourth placed Lada has a sales figure of 5713 vehicles (+3%). According to these results, 7.7% of Russian vehicle market belongs to St. Petersburg. This ratio was 7.3% during the same period of the previous year.

Production has declined by 2.7% at Avtotor during the first half of the year

25.07.2014 / Avtostat

Kaliningrad based Avtotor factory has manufactured 111,600 automobiles during the first six months of 2014 (-2.7%). Thereby, the company has lost its position as "the factory which manufactures the highest number of automobiles in Russia" to St. Petersburg based Hyundai. Hyundai has manufactured 117,500 automobiles within the aforementioned period. Avtotor manufactures more than 30 models for brands such as: BMW, Cadillac, KIA, Opel, Chevrolet and Hyundai.

Yekaterinburg automobile market has shrunk by 15% during the first six months

24.07.2014 / Auto-Dealer-Yekaterinburg

According to Auto-Dealer-Yekaterinburg agency data, 39,208 new cars and light commercial vehicles have been sold in Yekaterinburg during the first half of the year (-15%). June-only sales figure is 6272, on the other hand (-23%). This is the second poorest monthly sales figure recorded since January, this year.

Lada has once again become the leader of the city market, by the end of the first six months. Three out of the ten most popular brands have increased their sales. Nissan (+29%), Renault (+10%) and Toyota (+6%). Mercedes-Benz is the only brand, which has a faster growth rate than Nissan, out of the top-30 best selling brands.

The share of Yekaterinburg within the Russian vehicle market for the January-June period is 3.2%. This ratio was 3.4% during the same period of the previous year.

AvtoVAZ will start the production of Lada X-Ray and Lada X-Ray Cross models in 2016

23.07.2014 / Finmarket

The President of AvtoVAZ Bo Andersson has announced that the production of Lada X-Ray and X-Ray Cross models will start in 2016. Andersson has declared the aim of AvtoVAZ as getting hold of 20% of the Russian market and mentioned the necessity to improve the model range for that purpose. Accordingly, the company will start the production of Lada Vesta in September 2015, X-Ray in January 2016 and X-Ray Cross in April 2016.

20% of Russian market is equivalent to an annual sales figure of 600-650,000 vehicles. Bo Andersson has added that 150,000 automobiles will be manufactured for Renault-Nissan alliance this year. Andersson has declared the next year's figure as 300,000 vehicles. AvtoVAZ had previously announced plans to launch six new models and renew five existing models until the year 2020.

Russo-Japanese partnership Ural Wiring Systems has commenced operations in Yekaterinburg

21.07.2014 / Avtostat

Ural Wiring Systems factory, established as a Russian-Japanese joint venture in Yekaterinburg, has commenced operations today, following an official opening ceremony. Automobile cables will be manufactured at the factory, which aims to supply products for manufacturers such as; AvtoVAZ, Renault and Nissan. The founding partners Japanese Sumimoto Wiring Systems and Russian Roselektronika have announced the investment amount for Ural Wiring Systems as 300 million rubles. The number of employees at the factory is 290. It's planned to increase this number to 650 by the end of 2014.

Daimler: “Russian vehicle market will continue to shrink due to the sanctions and recession”

24.07.2014 / Reuters

Daimler is not optimistic about the Russian economy and automotive. According to Reuters, the German car manufacturer Daimler has published in its latest report the forecast that the Russian vehicle market will continue to shrink, due to the economic problems in the country, which is on the threshold of recession. According to the company, the escalation of the conflict between Russia and the Western countries, resulting in more sanctions against Russia, which may trigger counter-measures by the country in return, is the biggest risk in the world economy.

On the other hand, Daimler predicts that despite the ongoing shrinkage in the Russian vehicle market as a whole, the premium segment automobile sales will continue to rise.

Daimler, who holds 15% share of the Russian truck manufacturer: KamAZ with the European Bank for Reconstruction and Development (EBRD), has made as loss of €2 million from this partnership, during the first half of 2014. The company had made a profit of €7 million from KamAZ, during the same period of 2013.

Mercedes-Benz truck sales have fallen by 23% in Russia in 2013, with 3849 vehicles. However, the number of vehicles manufactured by the company in Russia has increased by 13.5%, reaching 2609 vehicles. The company has forecasted in its report that the truck sales in Russia will continue declining this year.

Russian heavy tonnage truck market has shrunk by 25%, with 88,000 vehicles last year. VTB Kapital analyst: Vladimir Besimalov, who was consulted by Reuters, has stated that the figure will decline by 9% this year, down to 80,000 vehicles. Besimalov draws attention to the fact that the heavy tonnage truck market is directly linked to the investment activities in the country. The market may recover by means of new infrastructure projects.

PSMA Rus Kaluga factory has manufactured 25,000 automobiles within the first six months

23.07.2014 / Avtostat

Kaluga based PSMA Rus factory has manufactured 24,975 automobiles within the first six months of 2014 (-0.1%). 8742 of the automobiles manufactured belong to Peugeot 408 and Citroen C4 Sedan and the remaining 16,233 to Mitsubishi Outlander and Pajero Sport models. PSMA Rus factory currently operates five days a week, in two daily shifts. As one may remember, the factory was established in April 2010. 70% of the company, with an annual production capacity of 125,000 vehicles, belongs to PSA/Peugeot Citroen and the remaining 30% to Mitsubishi.

The car production in St. Petersburg has declined by 12% in June

22.07.2014 / Auto-Dealer-SPb

According to data published by the agency Auto-Dealer-SPb, St. Petersburg based Toyota, GM, Nissan and Hyundai factories have manufactured 193,300 vehicles within the January-June period of 2014 (-4%). The June-only production figure is 28,400, on the other hand (-12%). On a monthly basis, this is so far the sharpest decline observed in the city's car production this year.

The share of St. Petersburg car factories within the nationwide production has declined from 22.7% recorded in January-April period to 21%.

61% of the automobiles manufactured in the city belongs to Hyundai factory. This ratio was 58% last year. The share of GM, which was equivalent to 21% of the total production in 2013, remained at 15% this year.

The agency is of the opinion that the recent shrinkage in consumer demand for the erstwhile popular models manufactured in St. Petersburg such as; Chevrolet Cruze and Opel Astra is the reason behind the decline in production. GM factory, where these models are manufactured, had suspended production for 20 days due to insufficient demand, within the first six months of the year.

Furthermore, the agency estimates that the car production in the city will shrink by more than 5% during the second half of the year.

The four factories in the city manufacture the following nine models: Chevrolet Cruze, Opel Astra, Chevrolet Trailblazer, Nissan Teana, Nissan X-Trail, Nissan Murano, Toyota Camry, Hyundai Solaris and KIA Rio.