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Russian vehicle market has shrunk by 38% in February

10.03.2015 / AEB

According to data published by the Association of European Businesses (AEB), 128,298 new cars and light commercial vehicles have been sold in Russia in February 2015. Thereby, the market has shrunk by 37.9%, in comparison with last February, where 206,526 vehicles were sold. 243,826 new vehicles have been sold within the January-February 2015 period, on the other hand (-32.1%).

Joerg Schreiber, Chairman of the AEB Automobile Manufacturers Committee commented: “The market is entering a very difficult phase now, and February is only the beginning. Industry sentiment in the next few months will be extremely difficult, and that the market bottom has yet to be found. Good news from the macroeconomic side, such as the recent stabilization of the Ruble, raise hopes for an improvement in the longer term. Until then however, market participants will need patience and a long breath”.

Korean automobile exports to Russia have declined by 71.5% in January

06.03.2015 / TASS

According to figures published by the Korean Automobile Manufacturers Association (KAA), the exports of Korean brands to Russia have shrunk by 71.5% in January 2015. 3100 automobiles have been exported.

KIA Motors has also announced a cut to vehicle supplies made to Russia from its Slovakia factory, due to “disadvantageous exchange rates”. In this period, the company intends to concentrate on the sales of Rio model manufactured in Russia. Hyundai, who manufactures Solaris at its St. Petersburg plant, is following a similar path.

Avtotor has decided to reduce the investments planned in Kaliningrad

06.03.2015 / Vedomosti

Avtotor Holding VP V.Shipov has announced a 2.5-fold reduction in the investments, concerning the establishment of an automobile cluster in Kaliningrad. Shipov has made the following statement: “ The planned investment of 150 billion rubles has been reduced to 60 billion rubles, with the new plan.” The general director Sorokin has shown the economic situation in the country and the decreasing automobile demand, as the reasons behind the decision. Sorokin has added: “We had plans to establish factories, which would operate with a production capacity of 150,000 in 2016 and 250,000 in 2018. The plan has changed now. We will establish a factory with an annual production capacity of 100,000 automobiles, at the first stage. Three factories with production capacities of 50,000 each will follow, as the second stage of the plan. The final capacity of the automobile cluster, which will employ 4000 people, is planned as 250,000.”

The planned localisation rates are 30% in 2020 and 50% in 2022, according to Sorokin. As one may remember, Magna and Avtotor had signed an agreement, proposing the establishment of an automobile cluster in the region in Autumn 2013.

Kaluga PSMA Rus has started the production of the renewed Mitsubishi Outlander

05.03.2015 / zr.ru

Kaluga PSMA Rus factory has started the serial production of the renewed Mitsubishi Outlander. As announced by the representation of Mitsubishi in Russia, the model will be released to the market, following the premier at the New York International Auto Show in April. 28,969 Mitsubishi Outlander (+9.1%) and 10,234 Pajero Sport (+24.8%) have been sold in Russia in 2014.

According to another announcement made by PSMA Rus, the production of new Peugeot and Citroen is being discussed, however the earliest time has been given as 2016. PSMA Rus manufactured 46,147 automobiles in 2014 (+2.3%). C-class sedan Peugeot 408, Citroen C4 sedan, Mitsubishi Outlander and Pajero Sport are the models, currently being manufactured in Kaluga.

Lada has increased prices once more

05.03.2015 / Vedomosti

Avtovaz has announced an average price increase of 4.8% on all models, as of 4 March. Lada 4x4 has the lowest increase rate, with 2.4%. The highest increase is on Lada Largus, with 7.3%. Thereby, the company has resorted to price increase for the second time, since the turn of the year. As one may remember, the prices of the brand were increased by 9% in January.

Chinese automobile exports to Russia have declined by 31% in 2014

04.03.2015 / Izvestiya

According to data published by the Chinese Automobile Manufacturers Association (SAAM), Chinese brands have exported 62,000 automobiles to the Russian market in 2014 (-31%). The sales figures of Chinese brands in Russia are as follows, according to AEB data: Lifan - 23,600 (-14%), Geely - 18,800 (-31%), Chery - 18,100 (-9%), Great Wall - 15,000 (-25%).

Component prices have gone up by 14% in Russia

27.02.2015 / Prime

The general director of Russian Component Manufacturers Union: Mihail Blokhin has stated that the component prices have gone up by 14% in the country, since the turn of the year: "The price rise was inevitable. Imported inputs are used in the production process of components. Take a seat manufacturer for example. The Russian material manufacturers have increased their prices by 20%, because they import the threads from Italy."

Blokhin complains about the support measures taken by the government being limited to car manufacturers: "While the share of OEMs in automotive was 60% twenty years ago, today it's as low as 20%. It's vital that the car and component manufacturers have equal opportunities."

Autostat: “The automobile market may shrink by 55% in 2015”

03.03.2014 / Vedomosti

The Autostat representative, who spoke at the “Russian Automobile Market: Results and Predictions 2015” conference, predicts the annual automobile sales figure for 2015 -excluding the light commercial vehicles- as 1.35 million vehicles. This is equivalent to a 42% year-on-year decline.

According to the agency’s optimistic scenario, the sales will shrink by 30% (1.64 million automobiles). The pessimistic scenario, on the other hand, expects a 55% shrinkage (1.06 million automobiles). Autostat data show the automobile sales figure for 2014 as 2.49 million (-10.3%).

The representative also expects a structural change in the market this year. Accordingly, the average vehicle disposal period, previously calculated as 4.5 years, will extend. In addition, the consumer preference will shift to lower classes of vehicles.

The Russian Association of Automobile Dealers (ROAD) representative, who took the floor at the same conference, has speculated that 2015 will be the toughest year in the history of Russian automotive. As predicted by the ROAD member, the second hand market and the new automobile market will shrink by 28% (4.42 million) and 41% (1.38 million), respectively. ROAD expects a further shrinkage of 200,000 vehicles, unless the Ministry of Industry and Commerce puts a new induced car credit programme into action.

As one may remember, AEB predicted the market for 2015 as 1.89 million vehicles, albeit two months ago (-24%). PwC’s -now a month old- market prediction is a one third shrinkage, on the other hand.

AVTOVAZ will start new engine production in March

25.02.2015 / zr.ru

AVTOVAZ plans to start the production of Renault-Nissan alliance’s new H4 engine family and gearboxes in March. The engines will be used in Renault-Nissan models manufactured in Russia, alongside Lada Vesta and XRay. The 1.6lt, 110 hp. engines are equipped with aluminium blocks.

AVTOVAZ chairman Bo Andersson has made the following comment: “It’s not possible to stop component imports completely. However, we can increase the localisation rates. For that reason, as of 15 March, we will start manufacturing engines and gearboxes for Renault. This means savings for both parties, Renault and us.” Andersson has added that the next year’s localisation target for Vesta and XRay models has been set as 75%.

AVTOVAZ has invested 19 billion rubles in engine production. The planned annual production capacity is 450,000 engines. The factory had previously started the production of K4 engines for B0 platform. These engines are used in Nissan Almera, Renault Logan and Lada Largus models.

Ford Sollers will start the production of the new Mondeo in Vsevolozhsk in March

26.02.2015 / Interfaks

According to the announcement made by the press office of Vsevolozhsk Ford Sollers, the factory will start the serial production of the new generation Mondeo in March. Test production of the model is being carried out at the moment.

The first party of the manufactured vehicles is expected to reach the dealers sometime around March - April. The orders are already being taken for the automobiles, the price tags of which will start from 1.1 million rubles.

Mercedes-Benz Vostok and Fuso KAMAZ Trucks Rus are merging

24.02.2015 / zr.ru

European Commission's competition authority has approved the agreement between KAMAZ and Daimler AG, proposing the merger of Mercedes-Benz Vostok and Fuso KAMAZ Trucks Rus. The parties had previously agreed to unite the plants in Naberezhnye Chelny, in order to reduce the costs.

Fuso KAMAZ Trucks, established in 2009, manufactures Mitsubishi Fuso medium tonnage trucks. The biggest shareholder of the company is Daimler AG. The German manufacturer also produces Mercedes-Benz medium tonnage trucks in Naberezhnye Chelny with KAMAZ. The two plants plan to cut costs by sharing the same production area.

PSMA will stop production between 23 February - 9 March

23.02.2015 / zr.ru

Kaluga based PSA Peugeot Citroen and Mitsubishi (PSMA) car factory will stop production between 23 February - 9 March. The factory has stated technical maintenance and equipment installation as the reasons behind the suspension to production.

However, the sectoral experts agree that the decision has been taken as a result of falling sales in consecutive months. As one may remember, the factory had previously suspended production on two occasions, between 17 December - 11 January and 29 January - 2 February.

PSMA Kaluga factory had commenced operations in April 2010. The factory's current annual production capacity is 125,000 automobiles.

St. Petersburg car factories have shrunk in record numbers in January

20.02.2015 / Auto-Dealer-SPb

According to Auto-Dealer-SPb data, St. Petersburg based Toyota, GM, Nissan and Hyundai factories have manufactured 19,300 automobiles in January. Thereby, the total production of the four factories has shrunk by 36%, year-on-year. This is the highest shrinkage rate observed in the city's car production, within the last five years.

Auto-Dealer-SPb analysts estimate the shrinkage rate in the city's car production as 40% for this year. Despite the decline, the share of the city in Russian automotive continues to increase. January rate: 22.7%. The share was 21.3% at the end of 2014.

The thirteen models manufactured in four factories are as follows: Chevrolet Cruze, Opel Astra, Chevrolet Trailblazer, Cadillac ATS, Cadillac CTS, Cadillac SRX, Nissan Teana, Nissan X-Trail, Nissan Murano, Nissan Pathfinder, Toyota Camry, Hyundai Solaris and KIA Rio.

Car production has declined by 25.7% in Russia in January

18.02.2015 / Rosstat

According to data published by the Russian Federal Institute of Statistics: Rosstat, 85,100 automobiles have been manufactured in the country in January (-25.7%). 20,000 of this production belong to the leader of Russian automotive: AVTOVAZ. 2600 trucks (-13.6%) and 791 buses (-29.1%) have been manufactured in the country in January.

Russian automobile park has reached 40.9 million vehicles

17.02.2015 / Autostat

As assessed by Autostat statistical agency, the magnitude of Russian automobile park has reached 40.9 million vehicles, as of the beginning of 2015 (+3.8%). 70% of the park is formed of models from ten brands.

The brands and their market shares are as follows: Lada – 14.1 million (%34.5), Toyota – 3.6 million (%8.8), Nissan – 1.8 million (%4.5), Chevrolet – 1.5 million (%3.7), Hyundai – 1.4 million (%3.5), Renault – 1.3 million (%3.2), Volkswagen – 1.3 million (%3.1), Ford – 1.2 million (%3), KIA – 1.2 million (%2.9) and GAZ – 1.2 million (%2.9).

All of the top-ten brands apart from GAZ have increased their market shares in 2014. The brands, which managed to increase their shares by over 10%, are as follows: KIA - %20.4, Renault - %18.7, Hyundai - %15.3, Volkswagen - %11.9 and Nissan - %10.7.

Automobile production has shrunk by 9.7% in Russia in 2014

27.01.2015 / Avtostat

According to Federal Institute of Statistics: Rosstat data, 1.7 million automobiles have been manufactured in Russia in 2014 (-9.7%).

The leader of Russian automotive: AVTOVAZ has manufactured 575,100 automobiles during the previous year. Lada and the vehicles manufactured for Renault-Nissan have formed 386,800 (-12%) and 133,900 (+6.4 times) of this figure, respectively. AVTOVAZ affiliate IzhAvto has manufactured 74,300 automobiles in 2014 (+28%). 68,900 of this figure belong to Lada Granta and 5400 to Nissan Sentra. Sollers affiliate UAZ has produced 62,500 vehicles in 2014 (-14%). The number of Chevrolet Niva manufactured by GM-AVTOVAZ is over 45,000 (-22%).

St. Petersburg Hyundai has become the foreign plant, which manufactured the most number of automobiles in the country last year, with 237,000 vehicles (+4%). Moscow based Renault Russia factory has produced a total number of 213,700 Renault, including the vehicles manufactured at Tolyatti AVTOVAZ facility. While Kaluga Volkswagen factory manufactured 185,000 Volkswagen and Skoda vehicles (-1.5%), St. Petersburg GM manufactured 36,700 Chevrolet, Opel and Cadillac (-54.5%). Another plant based in St. Petersburg: Toyota has manufactured 36,600 Camry sedan, on the other hand (+3%). St. Petersburg Nissan's production figure is above 30,000 vehicles (-36%). The total number of Nissan manufactured at Moscow, Tolyatti and Izhevsk plants belonging to the Renault-Nissan alliance exceeds 70,000 vehicles. Kaluga based PSMA Rus has manufactured 46,100 Peugeot, Citroen and Mitsubishi during the previous year (+2%).

According to Rosstat data, 154,000 trucks have been manufactured in Russia in 2014 (-25.7%). The biggest truck manufacturer of the country KAMAZ has produced 38,900 vehicles last year (-9%). 43,200 buses have been manufactured in Russia during the previous year (-18.2%).

Nissan St. Petersburg is getting ready to cut production

17.02.2015 / TASS

Nissan Russia representative R.Skolski has announced that St. Petersburg Nissan factory will reduce production, as of February. Skolski has said the following: "Car production is on the decline, due to the difficult situation the Russian economy is in and the falling demand. We have created several scenarios, in order to cut costs without causing many redundancies, by analysing the situation at Nissan Manufacturing Rus factory. The factory will reduce production, as of February. The discontinuation of production later on is also on the cards."

Skolski have stated their faith in the future of the market despite the current difficulties, on the other hand. The plant had increased its production capacity to 100,000 vehicles, by launching a second production line in December 2014. The models manufactured at the factory, where 2200 people work in two shifts, are as follows: X-Trail, Teana, Murano and Pathfinder.

Second hand auto discount rates according to brands

16.02.2015 / Autostat

According to a survey conducted by the statistics agency Autostat and the advertisement portal Avito at the end of 2014, Russian car owners are prepared to make an average discount of 10.2%, while selling their vehicles. 1.5% of the survey participants have managed to sell their cars for more than initially advertised. 76.3%, on the other hand, had to agree on making discounts. The discount rates vary between 1% and 40%.

The most discounted models and the relevant rates are as follows: Moskvich (20.6%), Volga (15.1%), Zhiguli (12.4%) and UAZ (11.8%). FIAT and Daewoo are the front runners amongst the foreign brands with 14% and 11.8%, respectively. KIA (6.7%), Citroen (7.1%), Honda (7.1%), Toyota (8.0%) and Mazda (8.1%) have the lowest discount rates. Over 10,000 people have taken part in the survey.

Avtotor has started the production of the renewed KIA Venga

12.02.2015 / Za rulyom.RF

Kaliningrad Avtotor factory has started the production of the renewed KIA Venga compact vans. The sales price of the model will start from 679,900 rubles in the Russian market.

Avtotor used to manufacture the old versions of Venga between 2011-2014. As is known, the factory manufactures around 30 models from BMW, KIA, Opel, Chevrolet, Hyundai, TATA Daewoo and Ford brands.

Volkswagen Kaluga engine factory has started test production

11.02.2015 / Za rulyom.RF

VW Group has started test production at its Kaluga factory, which is expected to commence operations this year. Climate and road tests will be applied on the first party of the engines manufactured.

The factory, established with €250 million investment, will contribute to VW's localisation rate in Russia. The company currently imports the engines used in the automobiles manufactured at Kaluga factory, from abroad.

VW has also announced that the construction of the warehouse in Chekhov, Moscow Region, has been completed and it will commence operations soon. The company will procure components and accessories from this warehouse.

Moscow Renault factory is suspending production

11.02.2015 / Vedomosti

Moscow based Renault Russia car factory has decided to suspend the production due to falling demand, between 16 February - 6 March.

194,531 Renault automobiles have been sold in Russia in 2014 (-7%). According to AEB data, the sales of the brand has declined by 32% in January 2015. As one may remember, the overall market has shrunk by 24.4% in January.

Renault Russia factory, which has an annual production capacity of 188,000 automobiles, has manufactured 150,700 Renault (Duster, old Logan, Sandero etc.) and 10,833 Nissan Terrano in 2014, according to ASM Holding data. Tolyatti AVTOVAZ factory has also manufactured 58,740 automobiles from new Logan, Sandero and Sandero Stepway models, for Renault.

Renault dealers, interviewed by Vedomosti, relate the decline in the sales of the brand to the serious price increase (26% according to PwC) and the strengthening of the positions of the Korean brands. As a comparison: Hyundai has increased sales by 15% in January, despite pulling the prices up by 7% since September. KIA, whose prices rose by 14%, has also achieved to increase sales by 1% in January.

VTB Kapital analyst Vladimir Bepalov is sure that all factories in Russia will reduce production this year. According to Bepalov, it's impossible to utilise the total production capacity of 3 million automobiles in full, in a market with an expected shrinkage rate of 35% (PwC prediction).

Please see the next page

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