

Ukraine has levied customs taxes between 10%-18% to automobiles imported from Russia

07.12.2015 / Interfax

Ukraine has levied custom taxes between 10%-18% to automobiles imported from Russia. The relevant government commission has stated that the tax will remain in force for 5 years. The aforementioned tax has been determined as 17.66% for the products of Sollers Far East, 14.57% for AVTOVAZ and 10.41% for other Russian brands. Vehicles over 8 passenger carrying capacity are excluded from the decision.

As is known, Ukrainian automotive is in a serious crisis at the moment. According to Ukravtoprom data, the production has shrunk 5.3 times within the January-September 2015 period year-on-year, with 5189 vehicles.

According to Ukrainian Institute of Statistics, on the other hand, 938 automobiles have been imported from Russia to Ukraine within January-September 2015. The monetary value of these imports is \$6.3 million. The total automobile imports of the country reached 43,280 vehicles within the same period (\$560.6 million).

“Russian market may start growing in 2017”

07.12.2015 / Autostat

According to the prediction published by Frost & Sullivan, 1.6 million new automobiles will be sold in Russia in 2015 (-36%). The company report states that factors such as: the geopolitical tension and the falling oil prices hinder the recovery process of the market. However, it's expected that the consumers -whose purchase decisions are postponed at the moment- will restart buying in 2017, reviving the sales to an extent, to 1.8 million vehicles. 2021 market prediction is 2.8 million vehicles, on the other hand.

The report observes that the foreign manufacturers are at crossroads, having to decide whether to import products or manufacture in Russia. The companies, which invested in their Russian factories in order to increase localisation, seem to have more chances. Renault-Nissan alliance has the highest localisation rate in Russia currently, with 68%.

Atsumitek Toyota Tsusho Rus has started production in Tolyatti

03.12.2015 / Autostat

Japanese automotive supply industry company Atsumitek has started test production at Tolyatti Special Economic Zone (SEZ). The company will supply manual and automatic gearbox mechanisms for the production lines of Granta, Datsun, Priora, Kalina, Vesta and Gazelle Next. Atsumitek Toyota Tsusho Rus had been on the course to start production in Tolyatti SEZ since July 2013.

Crisis with Turkey may hit Russian automotive

02.12.2015 / Vedomosti

AVTOVAZ-Renault-Nissan alliance has almost completed the organisation of the component supplies from Turkey, as told by sources close to the alliance to Vedomosti newspaper. One of the sources has stated that a number of applications have been made to a series of organisations such as the Federal Customs Service and the Ministry of Industry and Commerce. However, the problems faced by Russian companies on component imports from Turkey still remain unsolved. Two sources state that the aforementioned components are being held at the customs for the last two days. According to one of the sources, Valeo -manufacturing clutch systems in Russia- and fuel tank manufacturer DSK are among these companies. A source close to DSK confirms the situation. Valeo representative refused to answer the questions asked by the newspaper. Two sources have added that difficulties have been experienced in automotive equipment supplies and the necessary applications have been made for the purpose of overcoming the problems.

Nissan is in touch with all relevant government units, as told by a company representative. “We have covered a great distance in solving the problem. It’s very unlikely that the circumstances will have an effect on production.” Renault representative denies any disturbances in the flow of products procured from Turkey, for the time being. AVTOVAZ representative has not made any comments.

Auto-components are excluded from the list of prohibited products, announced on Tuesday. As learned by Vedomosti, however, no relevant warning has yet been made to the customs officers. According to a legal expert specialised in customs, small and medium size companies face serious difficulties at customs. The situation is especially grave in Novorossiysk, St. Petersburg and the Central Region. As told by the expert, most of the receivers opt for the re-export regime and some others reject the goods from Turkey. Not only compensation is out of question, but also the storage costs of the products are demanded. The companies pay €200 control fee per container and the daily storage cost is between 15,000 - 150,000 rubles.

A source has told Vedomosti that unless a quick solution is found to the problems with the suppliers, AVTOVAZ, for instance, may have to stop production on Friday. The source also draws attention to the risk of extension to the list of products, the imports of which will be prohibited from Turkey. The same source highlighted the current discussions amongst officials, concerning the prohibition of automobile imports from Turkey. The vice president of Association of European Businesses has written a letter to Igor Shuvalov, asking for the cancellation of plans to ban auto-component imports from Turkey. Shuvalov’s representative has stated that the letter has been received and currently being worked on.

Factories procuring products from Turkey, such as: Volkswagen, KAMAZ and GAZ, did not answer Vedomosti’s questions. (GAZ also assembles Gazel Next in Turkey). Toyota representative has told that no difficulty is experienced in supplies. Officials from the ministry of industry and commerce did not answer the questions of the newspaper either.

Eurasian Economic Commission has levied anti dumping tax on Chinese commercial vehicle tyres

23.11.2015 / Zr.ru

Eurasian Economic Commission (EEC) has levied anti dumping taxes between 14.79% - 35.35% on Chinese truck, bus, trolleybus, dump truck, trailer and semi-trailer tyres. As reported by Zr.ru, the rates have been determined individually for each manufacturer. Following a domestic market analysis, the EEC Colloquium has come to the conclusion that the Chinese manufacturers carry out dumping. EEC has started the investigation upon complaints from companies such as: Belshina, Omskshina, Yaroslavl tyre factories and Nizhnekamskshina Truck Tyre Factory. The colloquium has analysed the market data between 01.01.2011 - 30.06.2014 and decided that the complaints have sufficient grounds.

The EEC officials have found out that while the truck tyre market grew by 9.2% within the aforementioned period, the sales of Chinese brands increased by 27.1%, furthermore, the prices of these brands declined by more than twice, compared to their competitors. It has been determined that due to dumping, the Russian brands were forced to cut prices, which reduced profitability by 10% and put the tyre sector under threat, as a result. The anti dumping tax will remain in force for five years.

The share of foreign brands in Russian automotive has fallen for the first time since the year 2000

23.11.2015 / Vedomosti

According to the prediction published by Autostat, the share of foreign brand automobiles manufactured in Russia in total production will decline for the first time since the year 2000. The agency anticipates a four points decline to 71.5%. According to ASM-holding - another agency which keeps production statistics in Russia- data, the share of foreign brand vehicles in total production has shrunk by 5.6 points within the first nine months of the year, to 70%.

ASM-holding data highlights the Avtotor factory, established in Kaliningrad, as the plant where the highest production decline has been observed, with 56.6%. The shrinkage level in production at Vsevolozhsk and Elabuga plants of Ford Sollers is 50%. In contrast, foreign brand vehicle production has increased at Tolyatti and Izhevsk plants of AVTOVAZ, by 36.4%. As is known, contract production is being made in these factories, for the Renault-Nissan alliance.

The increase in market shares of Russian brands such as: Lada and UAZ is the reason behind the relative shrinkage observed in the production of foreign brand vehicles. The shares of the two brands have risen by 1 point each, to 16.9% and 2.9%, respectively. The Russian brands feel the advantages of high localisation rates over their foreign competitors such as: less damage due to the devaluation of the ruble and less pressure to increase prices. The sectoral analysts predict that the decline in the share of foreign brands in total production will continue in 2016.

St. Petersburg car factories have increased production by 1% in October

23.11.2015 / Auto-Dealer-SPb

According to Auto-Dealer-SPb data, Hyundai, Nissan, Toyota and GM factories, established in St. Petersburg, have manufactured 251,300 automobiles within the first ten months of the year (-16%). On the other hand, the production of the three factories in the city (GM discontinued production on 1 July) has increased for the first time in 18 months, in October. 28,500 vehicles have been manufactured (+1%).

The share of St. Petersburg factories in Russian automotive has been calculated as 22.8%, for the first ten months of the year. The 8 models manufactured in the city are as follows: Nissan Qashqai, Nissan Teana, Nissan X-Trail, Nissan Murano, Nissan Pathfinder, Toyota Camry, Hyundai Solaris and KIA Rio.

Automobile production shrank by 23% within the January-September period in Russia

19.11.2015 / Interfax

According to data published by the Russian Federal statistics Service Rosstat, automobile production in the country has shrunk by 23.2% year-on-year, within the January-September period. 1.1 million vehicles have been manufactured. Truck and bus production figures for the aforementioned period are 103,000 (-18.3%) and 29,000 (-16.6%), respectively.

When September figures are taken into consideration only, a 11.4% shrinkage is observed in car production, 2% in truck and 28.9% in bus production.

It should be stated that Rosstat has not been publishing production figures on a monthly basis, for a while. Only percentages reflecting the production dynamics are displayed in the reports prepared by the service.

Russian government continues subsidising automotive

17.11.2015 / Zr.ru

Russian prime minister Dmitri Medvedev has signed a new bylaw, proposing the promotion of the automotive sector in the country, during crisis conditions. Accordingly, the government has allocated a fund of 4.8 billion rubles, in order to cover the interest rate payments on credits used by car factories, for the purpose of financing production costs. In addition, 1 billion rubles have been put aside for the induced leasing programme.

MAR Supplies components to Avtovaz Tolyatti and Renault Turkey

17.11.2015 / M Automotive RUS

OOO M Automotive RUS ("MAR") which started operations at Tolyatti since September 2014 is a subsidiary of the Spanish Multinational Group; Manufactura Moderna de Metales, S.A. an Automotive Manufacturer with manufacturing sites in Spain and Romania and more than 60 years of experience in the design and manufacture of Tube Systems for several Powertrain and Chassis applications for the Automotive Industry.

MAR is presently delivering as Tier-1 directly to AVTOVAZ and as Tier-2 to other Automotive makers, several structural components for the new Lada Vesta.

Besides, the company is delivering since February 2015 engine components for the new H4M Gen 2 engine to AVTOVAZ Tolyatti and to Renault Turkey (Bursa) factories.

MAR strategy focus on the development and increase of its present manufacturing capacity in its Tolyatti Plant with the target to become a Tube Systems Manufacturer Partner for all Russian OEM's in the next years.

Customs duty implemented on imported light commercial vehicles will be reduced to 5% in Russia for a year

16.11.2015 / Vedomosti

Russian Sub-Committee of Tariff Rates, Off-Duty Regulations and Measures of Conservation in Foreign Trade has decided to reduce the customs duty implemented on the imports of light commercial vehicles to 5%, for the duration of a year. As stated by the ministry of economic development, the current customs duty on LCV imports is 15%.

According to Vedomosti newspaper, the sub-committee decision will be sent to the government commission for approval. The decision is expected to come into force at the end of the 30-days period, following the approval of the Eurasian Economic Commission.

The sub-committee has also proposed extension to the exemption of electric vehicles from customs duties, for another year.

The biggest car battery manufacturer of Russia will receive government support

17.11.2015 / Vedomosti

The committee of experts from the Russian Ministry of Industry and Commerce Development Fund has approved a subsidy of 500 million rubles for the Russian car battery manufacturer Akom. Akom, manufacturing in Samara region, will use the fund, which has an annual return rate of 5%, for the organisation of the production of high-cycle EFB, AGM and GEL type batteries. As reported by Vedomosti, the aforementioned batteries are not being manufactured in Russia on a mass scale yet.

The company plans to increase its annual capacity by 75% to 3.15 million units, with the help of the fund. The majority of the resources needed for the project, the cost of which adds up to 1.2 billion rubles, will be covered by the company itself. The serial production is planned to start during the second half of 2016. In this way, Akom intends to pull down the market share of the imported products in its own favour.

A representative from TUBOR, another car battery manufacturer interviewed by the Vedomosti newspaper, states that the aforementioned technology is not new to Russia, mentioning the EFB production made by TUBOR, however, the plans to increase production have been postponed for a year, following the devaluation of the ruble.

According to Autostat data, the number of car batteries supplied to Russian automobile factories had shrunk by 13.8% in 2014, with 1.92 million units. The shrinkage rate in components market is 9% and the car battery sales figure is 9.5 million. On the other hand, the number of car batteries manufactured in Russia has risen by 10%, to 6.7 million.

Autostat analysts state that the market shrinkage will continue throughout 2015. The growing lifespan of batteries is one of the reasons behind the shrinkage. Akom's new batteries will last three times longer than the previous ones, according to Fund data. The company data states that the new batteries are 20% more expensive compared to the older ones, but 20-30% cheaper than the imported analogue batteries.

Akom currently supplies AVTOVAZ, GM-AVTOVAZ and Ford Sollers with products. The company aims to extend this list with the addition of companies, such as Renault and Nissan.

56% of Russian truck market belongs to KAMAZ

16.11.2015 / Autostat

Russian truck manufacturer KAMAZ has increased its share in 14-40 tonnes truck market by 13 points as of the first nine months of the year, to 56.2%. The company has also increased its share in the heavy tonnage trucks market from 7.8% to 12.8%.

As announced by KAMAZ press office, the production of the new version of KAMAZ-5490 model has started in the factory despite the crisis, moreover, the demand for the model has been on the rise continuously. The sales figure of the model has been announced as 130 for August and 246 for September.

According to KAMAZ data, the volume of the 14-40 tonnes truck market reached 24,300 vehicles (-53.5%) and heavy tonnage trucks market 1600 vehicles(-60.1%), by the end of the first nine months of the year.

The company intends to focus on foreign markets, during the market shrinkage. 1121 trucks have been exported within the nine months period. The figure was 589 during the same period of last year.

According to Autostat data, KAMAZ has manufactured over 18,000 trucks within the nine months period. KAMAZ predicts the year-end 14-40 tonnes truck market as 39,000 vehicles. The company's annual market share expectation is 51% (45.9% previous year).

