

Russian car and LCV market has shrunk by 27.5% in July

10.08.2015 / AEB

According to Association of European Businesses (AEB) data, 131,087 new cars and light commercial vehicles have been sold in Russia in June (-27.5%). Thereby, the number of vehicles sold in the country within seven month has reached 913,181 (-%35,3). Nine of the top-ten best-sold models of November are manufactured in Russia.

Joerg Schreiber, Chairman of the AEB Automobile Manufacturers Committee commented:

“After a cumulative volume loss of 36% in the first half of the year, the July result of minus 27,5 % looks almost like a piece of good news. In reality, what we are seeing is mostly the low-base effect of a poor market showing in the corresponding period last year. The fundamental performance of the automotive market continues to disappoint though, in the framework of a struggling economy and falling consumer incomes. Purchase incentives provided through government programs and by the market participants themselves have proven instrumental in avoiding an ever sharper decline, however would need to be enhanced significantly to be able to reverse the trend in a substantial manner”.

The detailed sales figures are available on AEB website: http://www.aebus.ru/upload/iblock/c3c/eng_car-sales-in-july-2015.pdf

Automobile imports have shrunk by 52.6% in Russia within the first six months

10.08.2015 / Autostat

According to data published by the Russian Federal Customs House: FTS, 179,600 vehicles have been imported to Russia from various countries during the first six months of the year, which is equivalent to a 52.6% decline. The monetary value of the aforementioned imports has been calculated as \$3.3786 billion.

The number of trucks imported to the country has also declined within the January-June period by 74.6%, with 9600 vehicles.

Russian car exports have fallen as well within the first half of the year by 27.6%, with 48,900 automobiles. Russia has gained \$527.1 million from these exports.

The shrinkage in truck exports was 2.3% during the same period. 8400 trucks have been sold in total, generating \$205.4 million.

Russian Ministry of Industry and Commerce: ‘Car production will shrink by 23% this year.’

06.08.2015 / Prime

Vice-minister of industry and commerce Gleb Nikitin has told that 1.4 million automobiles will be manufactured in the country this year, following a 23% decline, during the routine meeting between the Russian prime minister Vladimir Putin and the ministers of the cabinet.

Nikitin states that the measures taken by the government have slowed down the shrinkage in the automobile market. Accordingly, the government has spent 33.4 billion rubles in support of the market, up to today. The vice minister has also underlined the fact that 1.7 tax gain has been achieved for every ruble spent.

The ministry official has proposed continuation of the programmes supporting the market, during the meeting.

43 electric cars have been sold in Russia during the January-June period

04.08.2015 / Autostat

According to Autostat data, 43 electric cars have been sold in Russia, within the first six months of the year: 30 Tesla (-12%), 9 Nissan Leaf (+125%) and 4 Mitsubishi i-MiEV (-79%).

The analysts share the opinion that the electric cars have not become popular, due to the insufficiency of infrastructure in the country. Furthermore, the prices of electric vehicles are far more expensive than the fossil fuel ones. Hybrid automobiles also suffer due to similar circumstances. 140 (82 Tesla) and 96 electric cars had been sold in Russia, in 2014 and 2013 respectively.

Mitsubishi Fuso production will resume in Tatarstan in September

03.08.2015 / Rossiyskaya Gazeta

Assembly production of Mitsubishi Fuso trucks will resume in Naberezhnye Chelny from September onwards. According to the statement made by the Mitsubishi Fuso Truck and Bus Corp. press office, the company aims to increase its share in the 3.5-16 tonnes truck segment to 5%, by the end of the year.

As one may remember, Fuso production was suspended in Naberezhnye Chelny in April, due to the shrinkage in the market. There's a downward tendency in the sales of the model since October 2014. Mitsubishi Fuso, which belongs to the strategic partner of KAMAZ: Daimler Trucks, had commenced operations in 2010. The company has manufactured over 6800 Fuso up to today. The facility, where 195 people are employed, has an annual production capacity of 3000 vehicles.

PSA aims to return to profitability in Russia before 2017

03.08.2015 / Vedomosti

The general director of the French car manufacturer PSA Peugeot Citroen: Carlos Tavares has stated that the company will not leave the Russian market, despite tough conditions. Tavares has added that the company's aim is to become a profit-making establishment before 2017. PSA expects a 35% decline in sales in 2015. According to AEB data, Peugeot and Citroen sales have fallen by 75.6% in Russia within the first half of the year, with 5653 vehicles. The market has shrunk by 36.4% in general, during the aforementioned period.

The strategy of Carlos Tavares is to return the company to profitability within three years. PSA had closed its France factory, reduced the number of employees and stopped pay rises, in order to cut the expenditures. The plan, under the name of "Back in the Race", proposes the restructuring of the company's operations in Latin America and Russia, expansion towards markets outside Europe and the optimisation of the products of the Group, by expanding the model range of the premium brand DS.

Russian car factories are taking summer holidays

31.07.2015 / OIB Russia

Russian automotive factories are taking summer holidays. While Kaluga Volkswagen stops operations between 27 July and 24 August, GAZ, the contract manufacturer for the German company in Nizhny-Novgorod, will suspend the Skoda and Volkswagen production lines between 3-31 August. St. Petersburg Toyota factory will also take a holiday between 3-16 August. Derways in Cherkessk: 1-17 August, UAZ in Ulyanovsk: 24 July - 9 August and AVTOVAZ and GM-AVTOVAZ in Togliatti: 27 July - 16 August, respectively.

Volkswagen will open its Kaluga engine factory in Autumn

30.07.2015 / Rossiyskaya Gazeta

According to Rossiyskaya Gazeta, Volkswagen will start engine production in Kaluga in September 2015. The newspaper has based the news on the statement made by the German ambassador of Russia: Rudiger von Fritsch, during the diplomat's meeting with the Russian minister of industry and commerce: Denis Manturov.

As one may remember, the construction of the Volkswagen engine factory had started in Grabtsevo Industrial Park, in December 2012. Test production is being made in the facility since February 2015. According to the project, the factory will manufacture 150,000 engines annually.

MMK has become the biggest metal supplier of Russian automotive

30.07.2015 / Vedomosti

Magnitogorsk Metal Combine (MMK) has increased its supply to Russian automotive factories to 215,000 tonnes, following a 20% rise, within the first six months of the year. Thereby, the share of automotive in the company's total production has risen by a point, to 3.9%.

The sectoral experts draw attention to the fact that the efforts made by foreign car manufacturers to increase localisation, push the supply levels of MMK upwards, despite the shrinkage in the automobile market. The manufacturers choose to make purchases domestically, in order to avoid the exchange rate risks and to fulfil the industrial assembly regime obligations. For instance, 75% of sheet metal used by Ford Sollers is Russian made. The manufacturer intends to increase this rate to 100%.

According to Vedomosti newspaper, other Russian sheet metal manufacturers, such as; NLMK and Severstal, refused to make comments about the amount of supply they made to car manufacturers. Officials from the biggest Russian automobile manufacturer: AVTOVAZ have named MMK, as their biggest sheet metal supplier.

Production has fallen by 6.7% at St. Petersburg Toyota factory, by the end of the first six months

29.07.2015 / Autostat

St. Petersburg Toyota factory has manufactured 17,845 Camry model automobiles, within the January-June period (-6.7%). According to the statement made by the company executives to Autostat agency, the factory continues with its regular regime: five-days-a-week, double daily shift.

15,280 Toyota Camry have been sold in Russia during the first half of the year (-5.6%). This figure is equivalent to 33% of the sales made in Russia by the brand.

As one may remember, Toyota St. Petersburg factory had started the production of the facelift version of the seventh generation of Camry in November 2014. Again during the same period, new press and plastic component workshops were established at the factory, pushing the localisation rate up to 30%.

Finally, the company officials have announced that the production capacity of the factory will have been risen to 100,000 from 50,000 by the end of 2015 and the production of RAV4 will begin in 2016.

Russian government has brought clarity to the concept of “Russian made”

28.07.2015 / OIB Russia

Russian prime minister Dmitri Medvedev has signed the Enactment number 719, which clarifies the criteria about the classification of an industrial product, as an industrial product which lacks the analogue manufactured within the Russian Federation. The document will come into force on 01 October 2015.

The products, which can be classified as “Russian made”, have been clarified with a list published in the appendix section of the enactment. The Russian text of the enactment and the product list in the appendix section can be viewed via the following link:

[http://oibrussia.org/tr/dosya%202015/No%20719%20\(2015\).pdf](http://oibrussia.org/tr/dosya%202015/No%20719%20(2015).pdf)

AVTOVAZ has scaled down its 2015 production plan

27.07.2015 / Kommersant

AVTOVAZ has cut its 2015 production plan by 6.5%, to 538,000 automobiles. The company president Bo Andersson has announced that 250,000 automobiles will be manufactured within the July-December period, instead of 288,000. However, the company executives are of the opinion that the 19% market share target will be achieved, with the start of the production of the new Lada Vesta and Xray models.

According to AEB data, the total market share of AVTOVAZ and Renault-Nissan has reached 34.5%, following a 3.9 points increase, within the first half of the year, despite the 28% decline in sales: 269,800 automobiles. 782,100 vehicles have been sold in the country during the aforementioned period (-36.4%). The sales figure of Lada is 140,700 (-27%).

Car production has fallen by 21% in St. Petersburg during the first six months

27.07.2015 / Auto-Dealer-SPb

According to Auto-Dealer-SPb data, St. Petersburg based Hyundai, Toyota, Nissan and GM factories have manufactured 153,200 vehicles within the first six months of the year (-21%). The total June production figure is 26,600 (-3%).

The agency executives draw attention to the fact that the production decline has lost considerable momentum towards mid-year. 72% of the city's production belongs to Hyundai alone. GM factory has closed down for good on 01 July. The share of the city's factories within the total Russian production is around 22.6%. The ratio was 20.1% during the first quarter.

Alexander Morozov has been appointed to the vice presidency of industry and commerce

23.07.2015 / Kommersant

Russian prime minister Dmitri Medvedev has appointed Alexander Morozov as the new vice minister of industry and commerce, in replacement for Andrei Dutov. Morozov's area of responsibility has not been defined yet.

Alexander Morozov had been in charge of the automobiles and special purpose vehicles department of the ministry, since 2013. The new vice minister had worked for Russian automotive and supply industry companies, such as Severstal and UAZ, previously.

St. Petersburg vehicle market has shrunk by 30% in June

22.07.2015 / Auto-Dealer-SPb

According to Auto-Dealer-SPb data, 59,240 new cars and light commercial vehicles have been sold in St. Petersburg within the first half of the year (-38%). 10,965 vehicles have been sold in June, on the other hand (-30%).

The sales of all top-ten bestselling brands have fallen in June. The shrinkage in sales of Hyundai and Lada were not as sharp as the other brands, with -1% and -4% respectively. KIA and Renault have become the most popular brands in the city, by the end of the first six months of the year. Despite the optimistic statements made by Auto-Dealer-SPb executives, the agency's year-end market dynamics prediction is 40% shrinkage. The share of St. Petersburg in Russian market has been calculated as 7.6%, as of the first six months.

Foreign brand body parts repair market is five times larger than the domestic brand market in Russia

21.07.2015 / Autostat

According to Autostat survey, the magnitude of body parts repair market for automobiles has reached 4.63 million units in Russia in 2014. 60% of this amount belongs to foreign brands (2.71 million units). The total monetary value of the market is over \$750 million. \$630 of this sum belong to foreign brands. In other words, the money spent on the repairs of the body parts of foreign brand automobiles is five times higher than the expenditure on domestic brands.

The survey also included the outer body elements, which were damaged due to traffic accidents and sent for repairs. Accordingly, 470,000 autoglasses had to be changed in 2014, due to reasons such as traffic accidents and stone collisions. The monetary value of this amount is equivalent to \$46 million, approximately.

Car production has shrunk by 27% in Russia in June

17.07.2015 / Autostat

According to data published by Russian Federal Institute of Statistics: Rosstat, 679,000 automobiles have been manufactured in the country within the first six months of 2015 (-24.4%). June production figure is 111,000 (-27.2%).

Russian manufacturer AVTOVAZ missed a day of production due to supply problems, at the end of June. Renault Russia factory has started the production of the renewed Duster; Ford Sollers of Ford Fiesta and Kaliningrad based Avtotor of BMW X4, Hyundai i40 and the new KIA Sorento Prime models in June, on the other hand.

According to Rosstat data, 57,900 trucks have been manufactured in the country, during the first half of the year (-22.5%). June production figure is 11,700 (-26.6%). Russia manufacturer KAMAZ has operated less than the planned schedule in June, due to falling demand.

Finally, the number of buses manufactured within the January-June period has been announced as 15,800 (-15.6%). 3100 buses have been manufactured in June.

