

Russian second hand car market has shrunk by 29.5% in May

11.06.2015 / Autostat

According to Autostat data, Russian second hand car market has shrunk by 29.5% year-on-year in May, with 366,800 vehicles. Thereby, the number of secondhand automobiles sold within the first five months of the year has reached 1.83 million (-24.1%).

May results are 11% below April figures. The analysts underline the fact that no increase has been recorded on a monthly basis yet, in 2015. The sales figures and dynamics are as follows:

January - 331,500 (-9.3%), February - 333,500 (-22.5%), March - 386,500 (-24.3%) and April - 412,000 (-29.8%).

Autostat analysts share the opinion that no serious change will take place in figures within the forthcoming months, due to the unfavourable market situation.

Market growth will not start before 2017, according to Russian car dealers

11.06.2015 / EY Press Office

According to the survey conducted by EY and the Russian Association of Automobile Dealers (ROAD), with the participation of directors from 23 companies, 35% of the participants are of the opinion that the sales will start to improve from 2016 onwards. While 26% think that the recovery will start in 2017, the growth expectations of 39% go beyond 2017. 61% of car dealers predict a 40% decline in sales this year. 35% is of the opinion that the shrinkage rate will be in between 30-40%.

The responses to the survey also reveal that the car dealers are under serious amounts of debts and are whether in the process of or planning to start negotiations with their creditors. 57% of the dealers are in debt, ranging from level 3 to 5 according to EBITDA parameters. The debts are over level-5 for 22% of the dealers, on the other hand.

AVTOVAZ will increase Renault-Nissan production by 20% in 2015

10.06.2015 / Vedomosti

AVTOVAZ chairman Bo Andersson has announced plans to manufacture 585,000 automobiles in 2015 (+1.7%). The company will manufacture 160,000 Renault, Nissan and Datsun vehicles (+19.5%). A year-on-year reduction of 3.7% is planned in Lada production, on the other hand (425,000 vehicles).

Ford Sollers will increase localisation rate to 20% until 2018

09.06.2015 / Autostat

Automotive manufacturer Ford Sollers has announced plans to increase localisation rate to 60%, until the year 2018. As one may remember, the company is under the obligation to do so, within the frame of the industrial assembly regime agreement signed with the government. Igor Chefanov, the director of the raw material purchasing department of the company, has told during a sectoral conference held in Moscow that the obligation will be met, despite falling sales. Chefanov has added that the current localisation rate is 40%.

Ford Sollers has 70 domestic first grade suppliers in Russia. The number of second and third grade suppliers is over 10. The company had also announced that an engine factory will be established in Elabuga with a new investment of \$274 million, at the end of the year. The engines manufactured at the facility will be used in Focus, EcoSport and Fiesta models, from 2016 onwards.

Russian new automobile and LCV market has shrunk by 37.6% in May

08.06.2015 / OIB Russia

According to Association of European Businesses (AEB) data, 125,801 new cars and light commercial vehicles have been sold in Russia in May 2015 (-37.6%). Thereby, the number of vehicles sold within the first five months of the year has reached 641,933 (-37.7%).

Joerg Schreiber, Chairman of the AEB Automobile Manufacturers Committee commented: “On the surface, no visual improvement in May vs.the weak sales result in preceding months since the beginning of the year. At the same time, general customer activity is undergoing a mild re-activation, thanks to a gradual reduction in bank interest rates and new car prices supported by a more robust Ruble exchange rate. This relative improvement is unlikely to bring about a fundamental turnaround for the market, but should help to slow down the pace of year-on-year sales decline in the coming weeks and months. The AEB is planning to update its full-year forecast for the market of PC and LCV next month together with sales result for June”.

Renault Russia has started the production of the renewed Duster

01.06.2015 / Zr.ru

Renault factory in Moscow has started the serial production of the renewed Duster. The model, the price of which has not yet been disclosed, will be put on the market in mid-summer. The price tag of the previous version of the model -aka Dacia Duster in Europe- starts from 585,000 rubles in Russia. 13,433 of the model have been sold in the country, within January-April 2015.

Avtotor has started the assembly production of BMW X4

02.06.2015 / Interfaks

Kaliningrad based Avtotor factory has started the assembly production of BMW X4 on 01.06.2015. BMW has not disclosed the planned production volume. Avtotor currently makes the assembly production of X1, X3, X5 and X6, besides BMW 3,5 and 7 series.

As one may remember, previously the Russian press had written about a joint factory establishment in Kaliningrad, by Avtotor and BMW. The planned annual production capacity of the €350 million project was announced as 50,000 vehicles and the localisation rate as 48%. However, BMW officials had announced postponement to the project in May, for an undetermined period of time, showing the instability in the Russian market as the reason behind the decision.

8334 BMW have been sold in Russia, within the January-April period.

Russian ministry of economic development foresees a shrinkage of 18-20% in car production in 2015

01.06.2015 / Prime

The minister of industry and commerce Denis Manturov had stated 10% expected shrinkage in automobile market, at the beginning of the year. The sectoral players and analysts, on the other hand, are more pessimistic. The majority is of the opinion that the market will only reach around 1.5 million vehicles by the year-end, which is equivalent to a 40% year-on-year shrinkage.

The ministry of development report draws attention to the increase in exports, as a factor which may slow down the parallel shrinkage in production, in the event of steep decline in the domestic market (AVTOVAZ +9.4%, KAMAZ +20%, AZ Ural +34.7 %).

According to the ministry data, 520,200 automobiles have been manufactured in the country, since the turn of the year.

KAMAZ has started the road tests for its electric traction truck

01.06.2015 / Zr.ru

KAMAZ has started road tests for the electric traction truck, designed on the 4308 model. The vehicle with 50 km. range will be subject to several tests, until the end of the year. The serial production of the model will be possible after the year 2020.

AVTOVAZ will invest 30 billion rubles in Vesta and X-Ray in 2015

01.06.2015 / OIB Russia

AVTOVAZ chairman Bo Andersson has announced an investment of 30 billion rubles in the production of Lada Vesta and X-Ray models, for this year. The company had also invested 20 billion rubles in its model range last year. It has been stated that the 60 billion rubles loan, approved by VEB in December 2012, is being used for the aforementioned investments.

Lada Vesta production will start in Izhevsk, on 25.09.2015. The start of X-Ray production is due for mid-December, on the other hand.

AVTOVAZ plans to continue with the production of Lada Priora till the end of 2018. The model, which replaced VAZ-2210, was manufactured in March 2007, for the first time. Priora, which has been renewed many times since its introduction, will be touched up once more, in order to comply with the new XV style concept of the company. 900,000 of the model have been manufactured up until today.

Toyota continues modernisation works at its St. Petersburg plant

29.05.2014 / Autostat

Toyota continues the modernisation of its St. Petersburg plant, where two new production shops commenced operations in November, alongside the start of the new Camry production. Toyota Motor president Hidenori Ozaki has told Kommersant newspaper that an increase in the automation level of the welding shop is being planned in the forthcoming period. Accordingly, new robots will be installed in the welding line in August. Ozaki has stated that the localisation rate has been increased to 30%, by moving the seat and sealant manufacturer Toyota Boshoku to the production premises.

The annual production capacity of the factory will be increased to 100,000 from 50,000, before the year-end. The production of RAV4 will start in the factory in 2016. By this means, 800 additional staff will be employed at the facility. The investment made by Toyota in St. Petersburg will reach 16 billion rubles, with the inclusion of the new 5.9 billion rubles investment.

The factory has manufactured 36,610 Toyota Camry in 2014 (+2.6%). The year-end sales figure of the model in Russia is 34,117 (+3.7%). The factory has exported 3084 vehicles to countries such as Kazakhstan and Belarus in 2014.

Hidenori Ozaki states that the Russian sales of Toyota and Lexus is equivalent to 2% of the worldwide figure.

Ford Sollers starts Fiesta production in Naberezhnye Chelny

28.05.2015 / Autostat

Ford Sollers will start the production of Ford Fiesta sedan and hatchback models in Naberezhnye Chelny on 03.06.2015. The Fiestas will be put on the market from the third quarter onwards. The engines, which will be manufactured at Elabuga plant as from 2016, will be used in the models.

Ford Sollers had modernised its Naberezhnye plant with a new investment of \$150 million, for the production of Fiesta. Around \$400 million have been invested in the factory, which currently manufactures EcoSport, up to today.

St. Petersburg automotive has been on the decline for 12 months

27.05.2015 / Auto-Dealer-SPb

According to Auto-Dealer-SPb data, St. Petersburg based Toyota, Nissan, GM and Hyundai factories have manufactured 10,700 automobiles within the January-April period (-26%). The total April production figure of the four factories is 29,200, on the other hand (-24%). It should be mentioned that this has been the highest monthly sales figure of the year, so far. Furthermore, the city's car production had displayed a positive dynamics a year ago, for the last time.

The agency officials relate the relative recovery observed in April to the traditional stock accumulation made by the car factories prior to the May holidays, alongside the induced automobile credit programme.

The share of St. Petersburg in Russian automotive has been calculated as 21%. Hyundai has the highest share amongst the factories making production in the city, with 72% (up from 66% in 2014).

The models manufactured in four factories are as follows: Chevrolet Captiva, Cadillac ATS, Cadillac CTS, Cadillac SRX, Cadillac Escalade (all with SKD method), Nissan Teana, Nissan X-Trail, Nissan Murano, Nissan Pathfinder, Toyota Camry, Hyundai Solaris and KIA Rio.

According to the data of the same agency, 38,714 new cars and light commercial vehicles have been sold in the city, during the first four months of the year (-39%). The April sales figure is 10,224 (-44%). Renault is the market leader of the city. The share of St. Petersburg market in Russia has been calculated as 7.5%, at the end of the first four months.

Johnson Controls is closing its St. Petersburg plants

27.05.2015 / OIB Russia

According to Vedomosti, American components manufacturer Johnson Controls has decided to close down two of its factories, established in St. Petersburg. The closures will take place in September. The company had arrived in St. Petersburg in 2005, for the purpose of manufacturing seats for GM and Ford.

The regional representative of Russian Association of Car Component Manufacturers NPAK: Mayya Sviridova has reminded that GM has closed down its car factory due to the crisis and Ford production is on the decline in the city, as a result of falling demand. According to Sviridova, Johnson Controls may return to the city in the event of market recovery, however, the South Korean suppliers, which evaluate investment opportunities in the region, may also fill the gap left by the company.

The press office of Johnson Controls has announced via Za Rulyom.RF news portal that the seat and sealant factory, established in Togliatti, will continue operations.

AVTOVAZ continues acquiring its suppliers

26.05.2015 / TASS

AVTOVAZ press office has announced that the shares of one of the company's biggest suppliers: AvtoVAZagregat will be purchased. The company, based in Togliatti, manufactures seats, seat sealants, exhaust systems, brake pipes and fuel systems for AVTOVAZ.

AVTOVAZ plans to acquire the OAT Group as well, before the end of 2015. The automobile manufacturer had bought the Volga Engine Factory, established in Togliatti, in November 2014. The company supplies AVTOVAZ with assembly components, press, trestles and robots.

Sberbank and VTB have come to an agreement with GAZ Group on the restructuring of the debts

25.05.2015 / Finmarket

Sberbank vice president Maksim Poletayev has announced that Sberbank and VTB have reached an agreement with GAZ Group on the restructuring of the syndication loan. The Russian vice minister of economic development Yevgeni Yelin had told Interfaks on 21 May that in the event of loan restructure, the ministry is prepared to give GAZ a government guarantee of 20 billion rubles.