

Russian Automotive – Selected News

29.08 – 13.09.2011

IjAvto has been sold to Sberbank affiliate OAG for 1,8 billion rubles

13.09.2011 / OIB Russia

Sberbank affiliate OAG has made the highest bid with 1,836 billion rubles at the auction, acquiring the assets of the Ijevsk Car Factory (IjAvto). Previously, the group purchased some assets belonging to IjAvto valued at 220 million rubles. In compliance with the memorandum signed by Sberbank and AvtoVaz at the end of the last year, as soon as OAG gets the control of the establishment, the factory will be handed over to AvtoVAZ.

AvtoVAZ has plans to make 7 billion rubles investment on IjAvto within the next 3-4 years. Lada, Renault and Nissan models will be produced at the factory. The credits required for the investment will be issued by Sberbank.

Currently, Kia Spectra and Sorento are being produced at the factory, besides Lada 2107, 2104 and Ij-27175 models. Until the end of the year, IjAvto is planning to produce a total number of 116.000 cars, 98.000 of which will be local brands and the remaining 18.000 Renault and Nissan.

The number of vehicles produced in Russia within the first 7 months exceeded 1 million

12.09.2011 / OIB Russia

ASM Holding has published the statistics on July production and import figures in Russian automotive industry. According to the statistics, 157.803 vehicles have been produced in the country in July. (136.780 cars, 17.630 commercial vehicles and 3393 buses.) As a result, the total number of vehicles produced during the first 7 months of the year reached 1.079.537. (948.211 cars, 110.139 commercial vehicles and 21.187 buses.)

AvtoVAZ is the leader of car production with 49.210 cars. GM, Toyota, Hyundai and Nissan factories in St. Petersburg have produced 18.185 cars in total in July. The figures belonging to the other regions and cities are as follows; Kaliningrad, Avtotor 17.196, Kaluga region, VW, PSMA 14.799 and Moscow, Avtoframos 11.473.

On the other hand, the number of cars entering the country since the New Year, together with the imported ones in July has reached 510.368; 505.994 new + 4374 second hand. +68,2% compared to the same period of the previous year. The financial value of the cars imported within the first 7 months has become 9,973 billion USD. The most imported seven brands are ranked as follows; Toyota (59.708; +80,5%), Daewoo (51.882; +34,7%), Nissan (49.993; +108,5%), Mitsubishi (32.755; +101,3%), Volkswagen (30.244; +348,2%), Kia (26.000; +59%) and Hyundai (25.253; +24,8%).

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GM will produce 3 new Chevrolet models in Kazakhstan

08.09.2011/ Autonews.ru

Within the last quarter of 2011 the production of three new Chevrolet models will start at Azia-Avto Factory in Kazakhstan. According to the agreement signed by the Kazakh producer and GM Russia and CIS Regional Directorate, Chevrolet Cruze-Hatchback, Captiva SUV and 7 seater MPV Orlandos will be assembled in addition to the vehicles currently under production in the facilities located at Ust-Kamenogorsk. At the moment Azia-Avto produce six Chevrolet models. The annual production of the factory will reach 10.000 vehicles with the introduction of the new models. As is known, a Customs Union Agreement is in force amongst Russian Federation, Belarus and Kazakhstan.

UMZ will start the production of Euro-4 standard engines

08.09.2011 / Avtostat

Ulyanovsk Motor Factory is planning to start the production of Euro-4 standard engines as from September. Director of GAZ Group Engine Production Department, Igor Kulgan has stated that the preparations have been completed in order to produce an annual number of 80.000 Euro-4 standard engines within the facilities. Euro-4 standard will be compulsory in Russia from 01.01.2012 onwards. In the meantime, the technological preparations will also continue, concerning the production of Euro-5 and Euro-6 engines during 2012.

By the end of the first two quarters of 2012, UMZ has increased its production by 10% reaching 32.300 vehicles. At the UMZ factory of the GAZ Group, 80 modifications of 10 different engines and 1500 parts and components belonging to those modifications are currently being produced.

Putin: Russia will be the leader of Europe in car production

07.09.2011/ RBK Daily

Russian PM Vladimir Putin has claimed that his country will be the biggest automotive producer in Europe before 2016. In his statement, he has drawn attention to the fact that the car production has doubled during the previous year and has increased by 76% within the first quarter of 2011. The PM added that a change in favour of the locally produced vehicles has been observed concerning the structure of the vehicle market, comparing the rise from 50% local production rate of two years ago, to the 70% achieved this year. Putin has stated that the main foreign partners of Russian companies have adapted to the Russian system and deals with Ford, GM and VW have already been signed. He also reminded that the minimum localization rate must be 60%.

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Sollers will part company with Fiat in 2012

02.09.2011/ Auto.vesti.ru

As from 2012, due to Sollers' withdrawing of its support, Fiat will have to manage with its sales and services in Russia on its own. According to the statement made by Sollers, the production of Fiat models being realized within Sollers facilities will be gradually terminated next year.

As one may remember, before the signature of the Industrial Assembly Regime in February, Sollers announced that it will terminate its agreement with Fiat and will sign an agreement with Ford, realizing this plan in June. Fiat, on the other hand, left on its own, had signed the agreement under the previous conditions and started searching premises for production. Although not making a final decision, the Italian producer is concentrating its efforts on St. Petersburg.

Russian government will help car producers pay their debts

01.09.2011/ Autonews.ru

Russian government will provide financial support to the automotive producers in order to enable them to pay off their debts to the banks in the post-crisis period. Act 640, identifying the frame of the regulation has been published in the official gazette of Russia. This way, the companies that used credits in order to carry out investment and innovation projects will be entitled to cover their expenses, amounting up to 90% of credits, from the federal budget. Sectoral experts share the opinion that the new act will help Russian automotive maintain its recent growth trend.

Ij-Avto will produce Euro-4 standard automobiles as from September

01.09.2011/ Auto.vesti.ru

Ijevsk Car Factory has announced that it will use Euro-4 standard engines in its Lada-2104 and Ij-27215 models from September onwards. The factory will stop the usage of Euro-3 engines by the 1st of November for good.

As from 01.01.2012, it will be compulsory to equip vehicles with Euro-4 standard engines in Russia.

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KamAZ have declared profits for the first time since 2008

30.08.2011/ OIB Russia

KamAZ Group has declared 102m rubles net profit at the end of the first two quarters of 2011. Same period of the previous year, the group declared a loss of 829.8 million rubles. 2010 total loss was 1,798m rubles. Last time the group achieved to make a profit was the end of year 2008. KamAZ's first two quarters of 2011 total revenue has been 48,816bn rubles. This amount is 1.4 times more than last year's revenue.

KamAZ's export figures have also followed a positive trend during the first two quarters. The company has sold 3158 trucks abroad. (2010 figure: 1537) The best customers of the Russian truck producer in this period have been Kazakhstan and Ukraine, 1325 and 710 vehicles respectively. The company's end of the year minimum export target is 5000 vehicles.

Magna is preparing to establish a new factory in St. Petersburg

29.08.2011/ Vedomosti

According to the statement made by the representative of St. Petersburg Strategic Investment Committee, Canadian spare-parts producer Magna is preparing to establish its fourth factory in Shushary. The final decision about the construction of the factory depends on whether Magna will acquire guarantee of purchase from its clients.

Currently, at Magna's Shushary factory, the production of bodywork parts is being made for GM and Nissan. In addition, Magna affiliate Korean Shing Young factory is producing press parts for Hyundai in the Kamenka region of the city. Magna also produces plastic bumpers for Ford at the facilities of Ijorsk Factory in Kolpino. The minimum localization rates required by the new Industrial Assembly Regime play a leading role in encouraging the establishment of new spare-parts factories in Russia. According to the statement of an executive from one of the car factories established in St. Petersburg, the localization rate in the city is in between 10-20% at the moment.

GM has established an engine factory in Uzbekistan

29.08.2011 / Autonews.ru

GM and UzbekAvtoprom have formed a partnership and established an engine factory in Uzbekistan. GM Powertrain Uzbekistan, which has been constructed in three years on 40 hectares of land, is situated at Tashkent. The total investment value of the project is over 520 million USD. At the factory, with a planned annual production capacity of 360.000, the new generation BDONC engines developed by GM, with volumes of 1,2 (82hp) and 1,5lt (115hp) will be produced.