

Russian Automotive – Selected News

17.10 –28.10.2011

AvtoVAZ has bought IzhAvto for 1.7 billion rubles

28-10-2011/ Kommersant

AvtoVAZ has acquired the complete shares of Izhevsk Automobile Factory (IzhAvto) from the administrators of the factory, United Automobile Group (OAG), with an agreement signed on 27.10.2011. The sales price has been announced as 1.7 billion rubles. As one may remember, a memorandum among Rostehnologii, AvtoVAZ and Sberbank was signed in December 2010, proposing the gradual transfer of the factory to AvtoVAZ. AvtoVAZ is planning to invest 7 billion rubles for the modernization of the factory until 2016. This way, the aim is to increase IzhAvto's existing production capacity of 220,000 automobiles to 360,000, before 2014. Currently, Izh-27175 pickup trucks are being produced besides Lada 2107 and 2104 cars at IzhAvto. In the forthcoming years, Lada Grantas and several Renault-Nissan models will be produced in the factory.

A new partnership under the name of Rototech-Kama has been established to supply plastic parts to KamAZ

26-10-2011/ Avtostat

Italian Rototech SRL and leasing company Tsentral –Kapital have signed an agreement, proposing the establishment of a partnership under the name of Rototech-Kama in Naberezhniye Chelny. The partnership will supply KamAZ with plastic parts and components. The plant, which will be established in Master Industrial Estate, will start serial production as from the second half of 2012. Besides air ingresses and air channels; urea and fuel tanks will be produced in the plant. The planned production volume until the end of 2012 is approximately 60,000 units. The plant will start operating in full capacity in 2013.

Russian LCV market has grown by 38% in nine months

25-10-2011/ Avtostat

The growth trend in Russian light commercial vehicles market, which started in January last year, continues to display positive dynamics. While 15,688 light commercial vehicles have been sold in the country in September (+26.5%), the total number in the first nine months of the year reached 123,096 (+38.2), 70% of which belonging to Russian brands.

As previously, Russian light commercial vehicles market has been dominated by GAZ in January-September period (64,579 vehicles, +%35.7). The producer from Nizhni-Novgorod holds 52.5% of the market. UAZ, which increased its sales of light commercial vehicles by 12.4%, selling 17,611 vehicles, occupies the second place. The third highest amount of sales was achieved by Fiat (10,201, +%8.7). This trio is followed by Volkswagen (7112, +%128) and Peugeot (6292, +%46.8).

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Volkswagen has doubled its LCV sales in Russia

21-10-2011 / Avtostat

8564 Volkswagen LCVs have been sold in Russia within the first nine months of the year. This amount is double of previous year's sales figure. The best-sold VW commercial vehicles in Russia are ranked as follows; T5 –3925, Caddy – 2267, Crafter – 1352 and Amarok – 1020 vehicles. The company predicts that with the introduction of the new Crafter to the Russian market in the near future, the demand to VW models in this segment will increase even more.

The sales of luxury vehicles in Russia has increased by 11% in comparison with 2008

20-10-2011/ Avtostat

According to Avtostat data, 44,100 new automobiles with price-tags above \$100,000 have been sold in Russia within the first nine months of 2011. This amount is 11% better than the sales figure of 40,000 vehicles of the same period in 2008. After the 2008 crisis, the automotive market suffered a 50% decline, while the sales of luxury vehicles dropped by 35%. This segment grew by 24% and 38% in 2010 and this year respectively. As a result, although Russian vehicle market could not fully repeat the successes of former years, the luxury vehicles market has grown by 11%.

If \$130,000 is taken as the average price for a vehicle within the segment of expensive vehicles, the money spent by Russians on luxury automobiles this year sum up to \$6 billion. This amount equals to 13.5% of Russian vehicle market from a monetary point of view. 44,100 vehicles, on the other hand, correspond to 2.4% of total vehicles sold quantitatively.

The entry of right-hand drive and red signaled vehicles to the Customs Union has been prohibited

19.10 2011 / Vesti-FM

A ban has been introduced on the entry of American and Japanese made right-hand drive and red indicator signaled vehicles to the Customs Union Zone, formed of Russia, Belarus and Kazakhstan, coming into effect as from 01.06.2012.

Previously, there have been attempts to ban the red indicator lights, which contradicted with Russian traffic rules, only to be postponed due to protests made especially by drivers living in the far-east regions of the country. The accepted regulation excludes the currently existing right-hand drive and red signaled vehicles within the Customs Union Zone.

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Russian market has taken second place in Europe in January-September period

19-10-2011 / Auto.vesti.ru

By the end of the first nine months of 2011, Russian market has achieved the biggest sales figures in Europe, second to Germany. Russian market has become the country with highest growth rate (45%) in this period. Sectoral analysts agree on the fact that Russia will maintain its position in second place until the end of the year.

According to European Automobile Manufacturers' Association's (ACEA) data, Germany has become the leading country in Europe, concerning the number of vehicles sold (2,401,736; +%10.8). Russia has taken second place with 1,797,000 vehicles (+%45.1), closely followed by France (1,661,271; %0.2) on the third place.

TagAZ has started the production of JAC Rein SUV under its own brand name

17-10-2011 / Avtostat

Taganrog Automotive Factory (TagAZ) has started the production of JAC Rein SUV, in agreement with Chinese Jianghuai Automobile Co., Ltd (JAC). JAC Rein is being produced by TagAZ, under the model name of C190. The price of the vehicle, the sales of which has already started in galleries, has been announced as 699,900 rubles.