

Russian Automotive – Selected News

17.02 – 01.03.2012

Jeep production will start in Russia in 2013

01.03.2012 / Reuters

FIAT, who signed a partnership agreement with Sberbank, will start the serial production of Jeep automobiles in 2014, at the factory it's planning to establish in St. Petersburg. Sergio Marchionne, the President of FIAT, has stated that the first automobile will be manufactured by the end of 2013. However, Marchionne did not give an indication about when exactly the factory will start operating. The factory, which is planned to be established by FIAT and Sberbank in St. Petersburg, will have an annual production capacity of 120,000 vehicles. As one may remember, the total investment value had been declared as €850 million.

“Russian truck market will double its size in 2020.”

28.02.2012 / Vedomosti

BCG has published a prediction that the Russian truck market will reach a volume of 230,000 vehicles in 2020. In comparison with the annual sales figure of 112,000 vehicles in 2011, the predicted figure means that the market will double its size in eight years time. BCG predicted that 171,000 vehicles will be manufactured next year. In addition to this, while the market share of the local producers diminish, the market structure is expected to change in favour of the foreign producers.

Before 2012, the foreign producers had to think twice before making production in the country, due to 25% tariff rate imposed on car imports and rates varying from 5% to 10% implemented on imports of parts and components. However, following Russia's admission to World Trade Organisation, the tariff rate on truck imports has gone down to 15%. Moreover, this rate will be fixed to 10% within the next three years, thus making Russia more attractive for the production of foreign brand vehicles due to logistical reasons.

AvtoVAZ has made an agreement with ArcerolMittal on supply of metals

24.02.2012 / Kommersant

According to Kommersant newspaper, world famous producer ArceroMittal will supply Russian automotive producer AvtoVAZ with zinc-plated metal henceforward. This metal will be used in the production of the models the company will develop with Renault-Nissan.

Up to the present, AvtoVAZ had only been working with Russian steel sheet producers such as; MMK, NLMK and Severstal. It has also been reported that 40,000 tonnes of the 150-200,000 tonnes of metal purchased last year were zinc-plated.

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Japanese Sanoh and Korean Mando will establish a component factory in Tolyatti

23.02.2012 / RBK Daily

Alongside AvtoVAZ's efforts on renewal of its model range, the production plans of Renault and Nissan in the region continue to attract component producers to Tolyatti. Japanese Sanoh and Korean Mando are the last applicants to the administration of Tolyatti Exclusive Economic Zone in order to build a plant. These companies are currently the suppliers of Nissan and AvtoVAZ.

Korean Mando has been producing electro power steering systems (EPS) for Lada Kalina and Granta models of AvtoVAZ since 2009. The company also supplies for producers such as; Hyundai-KIA, GM and Ford. Another component producer getting ready to establish itself in the Exclusive Economic Zone is Japanese Sanoh, who is an expert on the design and the production of fuel and brake lines. Sanoh currently supplies for Nissan.

KamAZ production has stopped in India due to strike

21.02.2012 / RBK Daily

KamAZ Vectra Motors Ltd, who manufacture KamAZ trucks in India, had to stop its production as a result of the strike ongoing for a month in the factory. There were plans to reach an annual production capacity of 5000 trucks before 2015, at the factory which was established in February 2010.

Avtotor will manufacture new models of KIA, Opel and Chevrolet

22.02.2012 / Finmarket

Kaliningrad based automotive factory Avtotor is planning to regenerate the production of KIA, Opel and Chevrolet in 2012. According to Finmarket, the factory will start the production of; KIA Cerato, Opel Zafira and Astra in February-March period, the brand-new model KIA Cee'd JD in April, Chevrolet Malibu V300 in May and KIA Optima (K5), Chevrolet Cruze SW J308 and Opel Mokka during the second half of the year. Previously, the factory started the production of Chevrolet Aveo T300, replacing Chevrolet Aveo T250 in January and Opel Antara and Chevrolet Captiva, which were being produced at St. Petersburg GM Factory prior to restyling, in February.

Avtotor is planning to manufacture 275,000 automobiles in 2012. The factory had increased its production by 30.5% in 2011 in comparison with the previous year, manufacturing 222,091 vehicles. This figure makes Avtotor the biggest foreign-brand car producer in Russia.

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AvtoVAZ has brought profit to Renault for the first time

20.02.2012 / RBK Daily

AvtoVAZ has brought Renault a profit of €49 million for the first time in 2011. This amount corresponds to 2% of the profit made by Renault-Nissan worldwide. As one may remember, Renault acquired 25% shares of AvtoVAZ for \$1 billion in 2008. The Russian producer made a loss of \$1.3 billion in 2009. In 2010 on the other hand, the loss of Renault was €21 million.

In January 2012, the truck production in Russia declined in contrast to increasing car and bus production

20.02.2012 / Rosstat

According to Russian State Statistics Agency Rosstat data, the car production in the country during January 2012 has increased by 16.8% in comparison with the same period of the previous year, reaching 119,000 vehicles. The rise in the production of foreign brands has been the main contributor to the aforementioned increase in production.

The leader of Russian automotive, AvtoVAZ has produced 30,107 vehicles in January (-26.6%). The monthly production numbers of the company have been on decline since last May due to factors such as; the transfer of the Lada 2107 production to IzhAvto, modernisation works on production line and the decrease on the demand for Lada due to the termination of the scrap scheme.

On the other hand, the foreign brands keep on adding new models on their production ranges in Russia. As from mid-January, St. Petersburg Hyundai factory started manufacturing KIA Rio Hatchback, while Vsevolozhsk Ford-Sollers factory started the production of the modified Ford Focus III.

The truck production in the country during January 2012 has declined by 5.6% in comparison with the previous year with 8600 vehicles manufactured. Nonetheless, Russia's biggest truck producer KamAZ has managed to increase its production in comparison with the same period of previous year by 1.5% (3900 vehicles). According to the company executives, this has been the best start to a year in recent years, yet this figure was 3200 vehicles in 2008.

The bus production in Russia has increased by 53.7% in the first month of 2012, reaching 2300 vehicles.

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GM will produce 230,000 vehicles in St. Petersburg in 2015

17.02.2012 / OIB Russia

The General Director of GM Avto, Ramuald Rytwinski has stated that the company produced 60,000 vehicles in St. Petersburg factory in 2011 and there are plans to increase this number by 40% in 2012, producing 85-86,000 vehicles. Rytwinski added that the company is planning to increase its annual production in Russia to 350,000 in 2015; 230,000 in St. Petersburg and 120,000 in Togliatti. In order to achieve this goal, a new factory will be constructed in St. Petersburg as from Spring 2014 and the capacity of the existing factory will be increased to 140,000 from 98,000. He also stated that the spare parts localisation will be minimum 60% by 2018.

As one may remember, GM had started operating in its St. Petersburg factory in 2008. GM-AvtoVAZ partnership owns a factory in Togliatti. GM also has assembly production agreements with GAZ Group, who owns factories in Nizhni-Novgorod and Kaliningrad based Avtotor at present. The models being manufactured in Russia are; Chevrolet Cruze, Chevrolet Captiva, Chevrolet Niva, Opel Antara and Opel Astra.

MAN is planning to open its St. Petersburg factory within the first 6 months of 2012

17.02.2012 / RIA Novosti

The General Director of MAN Truck and Bus Production Rus, Thomas Schneiderheinze has stated that the company will soon get the production permission for the factory it's planning to establish in St. Petersburg and start the construction within the following days. Schneiderheinze has added that the company is planning to start production within the first 6 months of 2012. The leader of Russia's foreign truck market, MAN has sold 7100 vehicles in 2011 (+121%).

CNH-KamAZ has started the test production of reaper assembly

17.02.2012 / Auto.vesti.ru

Russian-Italian partnership CNH-KamAZ Industrial BV has started the test production of reaper assembly in Tatarstan yesterday. Following the signature of an agreement in 2009, KamAZ and CNH had established a partnership in order to produce and sell agricultural vehicles, under the brand name CNH. The annual production target of CNH-KamAZ has been declared as 4000 vehicles. Case New Holland (CNH) is an affiliate of FIAT Group.