

# Russian Automotive – Selected News

17.04 – 02.05.2012

## 46.3% of vehicles in Russia is formed of foreign brands

02.05.2012 / Avtostat

As from January 2012, the total number of automobiles in Russia stands at 35 million. 46.3% of this figure is formed of foreign brands. The rate of increase in comparison with the previous year is 3.3%. Five years ago, the foreign brand automobiles formed 31.5% of all vehicles in Russia.

The ratios of foreign brand automobiles to the total number of vehicles according to the administrative regions in Russia are as follows; Primorsky-87%, Sakhalin-85%, Kaliningrad-83.7%, Habarovsk-82.9%, Kamchatka-76.5%, Jewish Autonomous Region-72.8%, Magadan-70.4%, Moscow-68.4%, Amur-64.1% and St. Petersburg-64%. Some of the regions with the lowest ratios are as follows; Dagestan-13.9%, Republic of Chechnya-16.6%, Ingushetia-18.5%, Northern Ossetia-19.8% and Karachai-Cherkessia-20.9%.

The oldest foreign brand vehicles are found in the Far Eastern Federal Region, where the market is dominated by second-hand Japanese automobiles, with an average age of 16.6 years. On the other hand, while the average age of vehicles in Russia is 5.7 years, the countrywide figure is calculated as 8.4 years.

## Russian government is working on a new amendment package aiming to support the local CV market

01.05.2012 / Rossiskaya Gazeta

Russia is making preparations to bring time limits to the usage periods of trucks, buses and light commercial vehicles, replace the transportation tax with an environmental tax and develop some specific renewal programmes, in order to support and promote the local commercial vehicles industry.

The statement about the relevant amendment package has been made by the Deputy Minister of Industry and Commerce, Rakhmanov, during his speech at the Russian Parliament Industrial Committee. Accordingly, the limitation of the usage periods of trucks and buses to 15 years and the second-hand commercial vehicles to 25 years has almost been agreed upon. On the other hand, the replacement of transportation tax with an environmental tax proportional to exhaust waste per km is being planned. Encouraging consumers to purchase local brands in better conditions by allocating grants in between 100,000-250,000 rubles through specific renewal programmes is amongst the planned amendments.

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## **Sollers and Mazda have signed a partnership agreement in Vladivostok**

30.04.2012 / Avtostat

Russian Sollers and Japanese Mazda Motor Corp. have signed an agreement proposing the establishment of a partnership on equal shares, in order to manufacture automobiles in Vladivostok the previous day. It's expected that the new company will start the production of Mazda CX-5 and Mazda 6 Sedan during the second half of 2012. The initial production capacity of the factory has been announced as 50,000 vehicles. Mazda still has an Industrial Assembly Regime Agreement with the Russian government under former conditions.

As one may remember, Sollers had signed an agreement with Japan's Mitsui, in order to manufacture Toyota Land Cruiser Prado using SKD method, at Sollers' Far East Factory in March 2011. Approximately 40,000 SsangYoung Kyron, Rexton and Actyons have been manufactured at this factory since 2010.

## **Ford-Sollers held a conference for suppliers in Tatarstan**

25.04.2012 / Avtostat

Ford-Sollers has held a conference for automotive supply industry manufacturers in Elabuga, Tatarstan. Localisation issues in Russia have been discussed at the conference.

Besides the Chairman and CEO of Ford Europe-Stephen Odell, General Director of Sollers-Vadim Shvedtsov, CEO of Ford-Sollers-Ted Cannis, Senior Vice President of Ford-Sollers-Adil Shirinov, Deputy Minister of Industry and Commerce-Aleksei Rakhmanov and Tatarstan Minister of Industry and Commerce-Rival Zaripov; more than 200 Russian and foreign suppliers have participated in the conference.

Topics such as; the current situation of the Russian vehicle market and the growth opportunities for foreign suppliers, the existence of global suppliers in Russia and the opportunities created by them, the attraction of the climate of investment in Tatarstan and from Ford's point of view; the selection criteria concerning the component manufacturers and the ways to attract them to the region in order to meet the required localisation rate in automobile production, have been tackled at the conference.

Ford Sollers CEO Ted Cannis has made the following statement about the conference; "It has been a very important activity for the development of Ford-Sollers in Russia. We have been trying to explain our potential partners our plans concerning supplies and the work we have to do in order to meet the required localisation rate. There is a great investment potential on automotive supply industry in Russia. We're hoping to find ourselves reliable partners in the near future in this country."

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## St. Petersburg vehicle market has lost its pace during the first quarter of the year

19.04.2012 / Auto-Dealer-SPb

According to Auto-Dealer-SPb data; 42,852 new automobiles have been sold in St. Petersburg in the first quarter of 2012. This figure indicates an increase of 20% in comparison with the same period of the previous year. The March-only sales figure is 18,446 vehicles (+14%). 67% of cars sold during the first quarter have been manufactured in Russia. On the other hand, St. Petersburg's share in Russian market remained unchanged: 6.9%.

In parallel with the general trend in Russia, St. Petersburg vehicle market has lost its pace. Although in January the sales went up by 31% in comparison with the same period of the previous year, this ratio remained at 14% in March. In addition to that, the sales figures of Lada and several other foreign brands have been on decline since the beginning of the year. Skoda is one of those brands, whose growth rate has been negative in February and Ford in March. While the sales of 11 brands were on the decline in February, this number went up to 15 in March. Majority of these brands were Japanese.

## Ekaterinburg vehicle market has grown by 28% in the first quarter

23.04.2012 / Auto-Dealer-Ekaterinburg

According to Auto-Dealer-Ekaterinburg Agency data, 20,642 new automobiles have been sold in Ekaterinburg during the first quarter of 2012. This figure indicates a 28% increase in comparison with the same period of the previous year. The monthly increase rates are as follows; January: +27%, February: +39% and March: +22%. Lada has become the market leader once more. Toyota on the other hand, was the most popular foreign brand. The city had 3.35% share of Russian vehicle market in January-March period.

## FIAT will establish a 120,000 capacity factory in St. Petersburg

18.04.2012 / Autonews.ru

FIAT is making preparations to establish a factory in St.Petersburg with an annual capacity of 120,000 vehicles. An agreement proposing the establishment of the factory will be signed between the administration of the city and the Italian manufacturer during the St. Petersburg International Economic Forum, which will take place in between 21-23 June. The statement has been made by the City Administration Investment Committee Press Bureau. It has also been stated that the predicted value of the investment for the new factory will be around 40 billion rubles and the factory will be constructed on 40 hectares of land.

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## IzhAvto has stopped the production of Lada-2107

18.04.2012 / Avtostat

Izhevsk Automobile Factory has manufactured its last ever Lada-2107 yesterday, thus ending the history of the automobile known as: "Number 7", Semjorka in Russia. AvtoVAZ has manufactured 3 million 2107s, since starting the production of the model in 1982. These automobiles have also been assembled in Ukraine and Egypt during a certain period of time in the past, apart from Russia. Last August, the production of the model has been shifted to Izh-Avto from AvtoVAZ. 42,500 Semjorkas have been manufactured at Izhevsk since. Currently IzhAvto is being modernised for the production of Lada Granta. According to the plans, Lada Granta production in the factory will start by August 2012. The production of Lada 2104 and Izh-27175 will continue until the end of 2012.

## 503,000 vehicles have been manufactured in Russia during the first quarter of 2012

18.04.2012 / Rosstat

According to Russian State Statistics Agency: Rosstat data; 450,000 automobiles, 42,800 trucks and 10,800 buses have been manufactured in the country during the first quarter of the year. Thereby, the production of automobiles has increased by 18.6%, trucks by 7.6% and buses by 57.3% in comparison with the same period of the previous year. The total number of vehicles produced during the first quarter has reached 503,000. The production numbers in March-only are as follows; 72,000 automobiles (+15% in comparison with previous March), 17,800 trucks (+2.6%) and 4900 buses (+83.3%).

## Foreign vehicle sales in Russia

17.04.2012 / Avtostat

A total of 1.91 million brand-new foreign cars and light commercial vehicles have been sold in Russia in 2011. This figure indicates a 52.2% increase in sales in comparison with the previous year.

Moscow city and the region occupies the first place with 671,500 vehicles, when regional rankings according to sales volumes is taken into consideration. (+36.5% in comparison with the previous year). In other words, 35.1% of foreign vehicles sold in the country end up in the capital or the surrounding areas. St. Petersburg and the Leningrad Region follow Moscow in second place. 177,000 foreign vehicles have been sold in that region in January-December 2011 period. (9.2% of the total sales in the country). Sverdlovsk Region comes third behind Moscow and St.Petersburg. Sales volume: 77,400; overall share in the country: 4%. The number of sales in Tyumen Region, on the other hand, is 64,200. (3.4% of countrywide sum). More than half of all vehicle sales in the country take place within these four regions.