

Russian Ministry of Industry and Commerce is anticipating 10% growth in the automobile market in 2012

31.10.2012 / Finmarket

The Russian Federation Ministry of Industry and Commerce expects a 10% growth in the automobile market in 2012. The relevant statement has been made by the Minister Manturov. Manturov has added that the estimated growth in truck and LCV markets is 8%.

According to Ministry data, 2.224 million automobiles have been sold in Russia within the January-September period (+17.7%). The fastest growth rate has been observed in imported second-hand automobiles segment (159,100 vehicles, +74.9%). The number of imported new automobiles has reached 629,100, on the other hand (+6.9%).

The sales figures of foreign brand automobiles manufactured in Russia has increased by 37.2%, reaching 1,008,000 vehicles in January-September period. The increase rate observed in the sales of home brands is 10.2%, sales figure: 426,800 vehicles. Again according to the Ministry data, the truck sales in Russia has increased by 14.6% during the nine months period, reaching 111,700 vehicles. The number of buses sold in the same period is 15,200 (+7.4%).

KAMAZ made a profit of 3.3 billion rubles in nine months

26.10.2012 / Avtostat

KamAZ has declared the net profit for Jan.-Sept. 2012 period as 3.927 billion rubles. The company suffered a loss of 2.723 billion rubles in the same period of the previous year. The total 9 months turnover of KamAZ is 82.901 billion rubles, on the other hand.

The profit made by Daimler, who holds 11% share of KamAZ, from this partnership within the first nine months of the year has reached €20 million. By the end of the same period of the previous year, the amount of loss suffered by the company due to the partnership was €25 million. Daimler has made a profit of €8 million from KamAZ in the third period alone. (Last year's loss: €20 million.) On the other hand, the Daimler's investment in KamAZ has increased by 18%, rising from €139 million to €164 million.

ZiL will manufacture Hyundai brand vehicles

29.10.2012 / Finmarket

ZiL factory established in Moscow has signed an assembly agreement with Hyundai last week. Accordingly, Hyundai LCVs will be manufactured in the factory from next year onwards. As stated by Natalia Sergunina from the Municipality of Moscow -amongst the partners of the factory- the production will start in the factory during the first quarter of 2013. Sergunina has added that the factory will operate using SKD method until 2015 and from then on welding, painting and press operations will be carried out in Moscow.

AvtoVAZ's prediction for Russian car market in 2013: 3 million

23.10.2012 / Finmarket

AvtoVAZ has estimated that the Russian automobile market will reach 3 million vehicles in 2013. As one may remember, AEB had announced its prediction for the year 2012 as 2.8 million vehicles. Accordingly, the prediction of AvtoVAZ for the year 2013 corresponds to an anticipation of a growth of 7.1% in the market, in comparison with the 2012 prediction of AEB. In the meantime, the market share target of AvtoVAZ has been declared as 19-20% in the company publications. To be able to achieve such a rate, the company needs to reach a sales figure of 570-600,000 vehicles in 2013.

Dong Feng will assemble trucks at ZiL in Moscow

23.10.2012 / RBK Daily

Chinese manufacturer Dong Feng has made an agreement with AMO ZiL for the assembly of light tonnage trucks in Russia. According to news from RBK Daily's own sources, the assembly of Dong Feng models up to 8 tonnes will start at ZiL facilities next year. The estimated production number for the year 2013 is 2000 vehicles. The domestic distribution of the trucks will be carried out by EK-Motors of Ekaterinburg, who is currently the dealer of Foton, Tata Motors and ZiL brand vehicles.

Dong Feng - established in 1969- has been operating in the Russian market since 2007. According to AvtoVAZ data, 328 of this brand has been sold within the first nine months of the year in the country. The number of Dong Fengs sold in the country since 2007 is 3700, on the other hand.

282,000 automobiles have been manufactured in St. Petersburg within the first nine months

22.10.2012 / Auto-Dealer-SPb

The car factories established in St. Petersburg have broken a new record. According to Auto-Dealer-SPb data, Toyota, GM, Nissan and Hyundai have manufactured a total number of 282,000 automobiles in the January-September period of 2012 (+69%). The number of automobiles manufactured in September-only is 35,700 (+25%), on the other hand. Prior to that, the highest number of monthly production number had been recorded in May 2012, with 34,300 vehicles.

In other words, St. Petersburg's share in the total car production in Russia stands at 20.9%. By the end of January-August period, this ratio was 18.9%. The automobiles manufactured in the city are as follows; Chevrolet Cruze, Opel Astra, Nissan Teana, Nissan X-Trail, Nissan Murano, Infiniti FX, Infiniti M, Toyota Camry, Hyundai Solaris and KIA Rio.

The automobile manufacturers in Russia will establish admission centres for used cars

22.10.2012 / Vedomosti

The Russian Ministry of Industry and Commerce has asked the automotive companies who manufacture in Russia to submit the list of the admission centres they have arranged for the reception of used cars, until 31.10.2012. The manufacturers who fail to establish admission centres will be liable to pay renewal tax.

As one may remember, in accordance with the Renewal Tax Act, which came into force on 01.09.2012, while the importers pay renewal tax for the vehicles they bring into the country, the companies who manufacture within the country are liable to readmit the automobiles at the end of their life cycles, in order to recycle them to prevent environmental damage. It's compulsory for the manufacturers to establish such centres in each 35 city with a population of over 500,000 people.

According to Vedomosti newspaper, KamAZ, AvtoVAZ, GAZ, Sollers, Renault, Toyota and Volkswagen have stated that they will submit these lists to the Ministry within the following days.

Toyota wants to establish an utilisation plant near Moscow

22.10.2012 / Auto.vesti.ru

Moscow Regional Government has announced that the Japanese manufacturer Toyota has made them an offer, proposing the establishment of an utilisation plant near Moscow, for the purpose of recycling old automobiles. It has also been stated that the Head of the Government: Andrei Sharov has promised the Japanese executives all kinds of assistance within possibility.

As one may remember, a new utilisation fee had been put into practice in Russia, being valid from 01.09.2012. The automobile importers had been obliged to pay a certain amount of cash for every vehicle they bring into the country, equivalent to the cost of scraping the vehicles at the end of their life cycles, in order to prevent environmental damage. The manufacturers who operate within the country are exempt from this fee, however, they are under the obligation to establish their own scrap yards.

AvtoVAZ will discontinue the production of Lada Samara in 2013

19.10.2012 / Avtosreda

After discontinuing the production of its classical models this year, AvtoVAZ will take Lada Samara off the production line in 2013. The relevant statement has been made by the company's Vice-President of the Department of Sales and Marketing: Artem Fedosov. Federov has stated that the company will continue the production of Granta, Kalina, Priora and Largus, hoping to increase their market share with these models. Currently, Lada Samaras are priced at in between 272,300 and 292,300 rubles in Russia.

GM-AvtoVAZ is planning an investment of 6.2 billion rubles within a time period of 3 years

19.10.2012 / Vedomosti

GM-AvtoVAZ affiliate: OOO JB Systems is preparing to establish a facility within the Tolyatti Special Economic Zone (SEZ). The SEZ Observation Committee has approved the construction plan of the bodywork and press production facility, presented to them by the company. Chevrolet Niva bodyworks are currently being manufactured in AvtoVAZ.

The project developed by GM-AvtoVAZ also includes the establishment of an engineering laboratory and a logistics centre within Tolyatti SEZ. The estimated total investment value of the project is 6.2 billion rubles (\$200 million).

The construction of the bodywork and press production units within Tolyatti SEZ will start in Autumn 2013. The facility is due to start operations by the end of 2015, according to the plans. By then, GM-AvtoVAZ intends to increase its production capacity by 20%, reaching an annual capacity of 120,000 automobiles. The company currently manufactures Chevrolet Niva. As from 2015, the production of Lada 4x4 will start alongside Chevrolet Niva.

ZiL will restart production as from March 2013

18.10.2012 / Vedomosti

ZiL Car Factory will restart production in March 2013, as stated by the Mayor of Moscow: Sergei Sobyenin, during a televised interview. Sobyenin has told that environment-friendly new vehicles that satisfy the demands of the market will be manufactured in the factory, rather than the old models.

Moscow City Government -led by Sobyenin- and Sberbank had established a company under the name of Mosavto ZiL, in order to organise the contract-based assembly production of medium-tonnage trucks and cars at ZiL, this year in May. The names of Renault, FIAT-Chrysler and Hyundai had been pronounced as potential customers of the company, but up to now, out of the aforementioned companies, only Renault has formally admitted that they are interested in making production at ZiL. The Russian Antitrust Agency (FAS), on the other hand, allowed MosavtoZiL to acquire Saratov's Himeks Group in August. Himeks has a -not yet activated- Industrial Assembly Regime agreement with the Russian government.

Sergei Sobyenin has added that less than one-third of ZiL premises will be allocated for automobile production and the remaining land will be reclaimed for construction of residential homes, administrative buildings and sport complexes. The 300 hectare ZiL premises is situated in a relatively central area of Moscow and ranked amongst the most valuable lands in the city.

1.4 million automobiles, 152,000 trucks and 5100 buses have been manufactured in Russia within nine months

16.10.2012 / Avtostat

According to Russian Institute of Statistics: Rosstat data, 1.4 million automobiles have been manufactured in the country within January-September period. Car production has risen by 14.2% in comparison with the same period of the previous year. The production number for September-only has reached 100,000, on the other hand (+5.6%).

AvtoVAZ has become the leader in automobile production in September (48,114 vehicles, +2.9%). Last month, one of the foreign manufacturers: Toyota has started operating in double shift in Camry production. Ford-Sollers Factory established in Elabuga, on the other hand, manufactured the 10,000th Ford automobile on 20.09.2012. Another significant development of the previous month was the establishment of a joint enterprise by Mazda and Sollers in Vladivostok. The new partnership commenced operations in October.

152,000 trucks have been manufactured in the country within the January-September period (+1.4%). The production number for the month of September, on the other hand, has remained at 19,000 (-14.6%). Out of this figure, 4100 belongs to the Russian manufacturer: KamAZ (-6.8%).

39,600 buses have been manufactured in Russia by the end of January-September period (+38.4%). The production number of September-only has reached 5100 (+12.4%).

The anti-dumping investigation on LCV imports in Russia will be completed by the end of the year

15.10.2012 / RBK Daily

The Russian executives have promised to complete the anti-dumping investigation, which started following the application by Sollers, concerning the imports of light commercial vehicles from Germany, Italy, Poland and Turkey, by the end of the year. However, according to a number of representatives and experts in the sector, the investigation has already lost its actuality.

The investigation had been transferred from the Ministry of Industry and Commerce to the Eurasian Economic Committee in mid-2012. An executive from the community has stated that the investigation is due to be completed in November, however, there are plans to extend the period. The executive has added that the investigation will have been completed by the end of the year.

The Russian commercial vehicle market has slowed down following the implementation of Utilisation Fee

15.10.2012 / Avtostat

The Russian commercial vehicle market has slowed down following the implementation of utilisation fee. According to AEB data, 135,229 LCVs have been sold in Russia by the end of the first nine months of 2012. While GAZ has once again become the leader of the LCV market (64,279, +0%), UAZ has taken the second place (19,519, +11%). Volkswagen occupies the third place (12,104, +41%).

8531 trucks have been sold from the 6-16 tonnes segment within the first nine months (+11%). Hyundai is the leader of the market (3273, -19%). Mitsubishi-Fuso (1469, +113%) and Ford (1365, +146%) occupy the second and third places respectively.

The 16 tonnes and above truck market has shrunk by 5%, in comparison with the previous year, with 18,507 vehicles. MAN has become the sales leader in this segment (6085, +34%). The German manufacturer has been followed by Ural (3740, +47%) and Scania (3673, +18%). It should be remembered that the sales figures of KamAZ is not included in AEB database. However, according to the company's own statement, 18,600 trucks have been sold within the first nine months of the year (+6%).

The bus sales in Russia has increased by 14% by the end of the first three quarters of the year, reaching 3616 vehicles. The leader of the market: LiAZ (1449, +50%) has been followed by PAZ (1313, +9%) and KAVZ (372, +11%).

The executives from the AEB Commercial Vehicle Manufacturers Committee have stated that although the commercial vehicles market in the country continue to grow in a moderate pace, the sales have slowed down to some extent towards the end of the third quarter, following the implementation of the utilisation fee. The committee members share the view that despite the shrinkage experienced especially in the heavy trucks sector, the market will pick up towards the end of the year, as it has always been the case during the previous years.

Please see the next page

Legal review of partnership agreements in Russian Federation

UBLaw

The main characteristic features of the partnership agreement are the following:

- ❑ The combination of the deposits which may be the money and other property, professional and other knowledge, skills, reputation, business relationships, as well as other species.
- ❑ The cost of all deposits is assumed to be equal unless otherwise stated in the partnership agreement or actual circumstances. Moreover, the monetary value of contributions made by the agreement between the parties (partners).
- ❑ The assets contributed by partners and owned by them by right of property, and also products manufactured as a result of their joint activity shall be recognized as their common property in shares, unless otherwise stipulated by the law or the contract of particular partnership or unless the contrary follows from the substance of the obligation.
- ❑ The common property of the partners shall be used by their common agreement, and in case of disagreement it shall be used in the order prescribed by a court of law.
- ❑ In the relations with third parties the partners are not entitled to rely on the restriction of partner's rights who made the deal, if it is not proved that at the moment of deal's conclusion the third party knew or should have known of the existence of such restrictions.
- ❑ If the partner whose rights are limited will make a deal on behalf of all the partners, or a deal in the interests of all the partners in his own name, he may claim the reimbursement of expenses made by him, if there are sufficient grounds to believe that the deal was necessary in the interest of all the partners. Although it should be noted that the criterion of deals necessary in the interests of all the partners is very complex. But the partners who have suffered losses as a result of such deals are entitled to demand compensation from such partner.

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