

Russian Automotive – Selected News

13.05 – 25.05.2011

Hyundai St.Petersburg plant will start operating in three shifts in autumn

25.05.2011 / Fontanka.ru

As stated by the factory's Head of Department of Law, Vasiljev - Hyundai St.Petersburg will launch third shift in autumn. This way the company aims to increase its production capacity to 200,000 vehicles by early 2012. In order to achieve this capacity, it's predicted that the factory and the suppliers, which operate within Hyundai Suppliers Park, will recruit a total number of 5300 workers. Vasiljev has stated that to be able to meet the high demand on Hyundai Solaris, a decision has been made to increase the capacity and sales agreements with Ukraine, Azerbaijan, Kazakhstan, Belarus, Uzbekistan, Moldova, Armenia and Kyrgyzstan have already been signed. Hyundai's export target for year 2011 is between 7000 and 8000 cars, which accounts for 7,5% of this year's planned production of 105,000 cars.

The number of Ford Focuses produced in Russia has reached 500.000

23.05.2011 / Avtostat

Vsevolojk Ford factory has completed the production of the 500,000th Ford Focus at the end of April. Since the initiation of their production in Russia in 2002, the Focus models have always been high on the best-sold foreign cars rankings in the country. According to Avtostat, as from 01.01.2011 the number of Ford cars registered at the Russian Vehicle Park stands at 954,700.

St.Petersburg cluster achieved record production in April

20.05.2011 / Auto-Dealer-SPb

St.Petersburg based car factories carried out record numbers of production during April. Total number of cars produced by Toyota, GM, Nissan and Hyundai reached 20.800. During the same period of the previous year this number was as low as 4600. Therefore, the total number of cars produced in the city in between January and April has reached 59.900 (in 2009 only 14.900). However, in May-August period, due to holidays and days off from work a decline is anticipated in this tempo. According to the forecast of Auto-Dealer-SPb the total production of January-May period will be realized as 80.000.

Hyundai's introduction of two shifts system has become one of the main factors increasing the production performance. The models produced by four factories in St.Petersburg are as follows; Chevrolet Cruze and Captiva, Opel Astra and Opel Antara, Nissan Teana, X-Trail and Murano, Toyota Camry and Hyundai Solaris. 75% of city's total production is shared by Hyundai and GM.

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VW Polo will start using Rus Cordiant tyres

20.05.2011 / RBK Daily

Sibur-RS has started supplying Cordiant tyres for VW Sedans produced in VW Kaluga factory. According to the statement made by Sibur-RS, other VW models will be supplied with Cordiant tyres in the future. As things stand, the number of Cordiants to be supplied for 25.000 cars that will be produced in Kaluga factory is likely to reach 100.000 by the end of April. The factory's production target for Polos is between 30-35.000, but VW is also purchasing from Nizhnekamskshina –with whom this company is in the process of merger negotiations- as well as Sibur-RS.

The partnership of VW and Sibur-RS seems beneficial to the German producer when one considers the necessity to achieve the 60% localization rate required by the Industrial Assembly Regime in the medium term. Currently 40% of the components of Polo models consist of parts made in Russia.

Russian automotive industry is slowing down

19.05.2011 / Kommersant

The growth rate of Russian automotive industry has started slowing down. The increase in the sales of new cars within April has only reached 42%, compared with 77% achieved during the first quarter. The poorest growth has been observed in the Russian brands, the sales volumes of which drew close to pre-crisis figures. According to the experts, this indicates that the future growth of the market will be on the shoulders of foreign brands.

Four-monthly sales figures published by AEB show that within the period the sales of new cars in Russia have reached 754,000 vehicles, increasing by 64% in comparison with the same period of the previous year. However, the increase in April remained at 42% (235,700 vehicles). While Lada has been the best-sold local brand, the most popular foreign brands were Chevrolet, Renault and KIA. AEB's end of the year sales prediction is 2.35 million cars. The anticipated end of the year growth rate for the Russian automobile market will diminish to 23% in comparison with the previous year's 30%.

April's poorest growth rates belong to Russian brands. For instance, within the month the sales of Lada only went up by 3%. On the other hand, all Russian producers have one way or the other approached to pre-crisis sales volumes; AvtoVAZ, UAZ and GAZ, 50.000, 5000 and 7-8000 per month respectively. One must bear in mind that none of these brands have renewed their models since the pre-crisis period. The best-sold foreign brands produced in Russia have been Renault Logan, Ford Focus and Hyundai Solaris within January-April period.

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VTB demands 62 million USD from TagAZ as debt owed

16.05.2011 / AutoNews.Ru

Moscow Court of Arbitrage has postponed the hearing of the case –VTB vs. TagAz and Promstroy Plus (debt managers of TagAZ)- concerning the recovery of 62 million USD credit debt, to the 7th of June. The reason of the postponement is shown as the counterclaim made by TagAZ.

On May the 12th the Court of Arbitrage made a decision on the payment of the debt summing up to 38 million USD by TagAZ to VTB. Last November the Court made a similar decision, approving the 726.9 million rubles debt of TagAZ and by confiscating the equipment in the factory purchased with the credit in question.

EC objects to Russia's admission to WTO due to the 'Assembly Regime'

13.05.2011 / OIB Russia

Vedemosti Newspaper –informed by an attendant of the negotiations concerning Russia's admission to WTO- has reported that during the negotiations the EC objected to the admission of Russia to WTO due to the Industrial Assembly Regime implemented in the country. According to this, the production volumes and time limits set forth by the Assembly Regime are not compatible with the demands of WTO, therefore the regime must be invalidated. Russians, on the other hand proposed the maintenance of the tariff advantages offered to the investors, as revised in February, for a certain period of time.

According to a source from within the Russian delegation, the Russian side replied to the question: 'Is Russia prepared to give up the incentives offered by the Industrial Assembly Regime?' as 'We are still at the beginning of the negotiations. At the moment no one has given up on anything. As one may remember, in March some of the producers, notably VW, applied to Vladimir Putin, for the purpose of moderating the rules of the regime, failing to get a result in the end.

Car production increased by 66% in Russia during April

13.05.2011 / Avtostat

According to ASM-Holding data, during the first four months of 2011, the car factories in Russia produced 529,800 vehicles. These figures indicate an increase of 89.6% in comparison with the same period of the previous year. The number of vehicles produced in April is 155,600 (+66.2%). 55,000 of this production belong to AutoVAZ, the biggest local automotive producer of Russia. (+28%)