

Russian automobile market is ranked first in Europe

05.09.2013 / Avtostat

According to Avtostat's assessment, approximately 222-225,000 cars and 13-15,000 LCVs have been sold in Russia in August. In comparison, German Association of the Automotive Industry (VDA) has announced the August automobile sales figure in Germany as 211,044 vehicles (-5.5%). As a result, Russia has become the leading country of Europe in automobile sales in August.

Halla Visteon has started manufacturing air conditioning systems in Togliatti

04.09.2013 / Prime

Air conditioning systems manufacturer: Halla Visteon Climate Control (HVCC) has formally opened its factory on Tuesday, following the move from South Korea to Togliatti. The factory with 110 employees is established on a 5000 m² premises. The annual production capacity target has been announced as 540,000 components.

Halla Visteon is currently the supplier of the Lada Granta model, manufactured at AvtoVAZ. Besides AvtoVAZ, the company supplies brands such as; Chrysler, Ford, Hyundai, Mazda, Nissan and Volkswagen Group with products.

Secondhand car sales have declined by 3.2% by the end of the first seven months

04.09.2013 / AutoBusiness Review

According to Avtostat data, secondhand car sales have declined by 3.2% during January-July period, in comparison with the same period of the previous year. 3.04 million vehicles have been sold within the first seven months of the year.

34% of the second-hand automobiles sold is formed of Lada vehicles. The demand towards the brand seems to have fallen by 7.6%, compared to last year. Toyota is the best-sold foreign brand: 361,900 (-3.4%). The share of the Japanese brand in the secondhand market is 12%. Nissan is ranked third in the list with 147,400 vehicles (-2.6%). These three brands are followed by Chevrolet (+6.5%), Renault (+14.2%) and KIA (+14.2%).

The most popular second-hand models are as follows; Toyota Corolla, Ford Focus, Daewoo Nexia, VW Passat, Renault Logan, Mitsubishi Lancer, Chevrolet Niva, Toyota Camry, Opel Astra and Hyundai Accent.

Avtotor will manufacture Tata Daewoo trucks

04.09.2013 / Vedomosti

Avtotor Car Factory established in Kaliningrad and Tata Daewoo have agreed to manufacture trucks together. The joint production will start in January 2014, according to plans. The annual production target is 2000 vehicles.

As reported by Vedomosti newspaper, Tata Daewoo Prima will be the first model to be manufactured in Kaliningrad.

100,000 Mitsubishi i-MiEV electromobiles have been sold in Russia this year

04.09.2013 / Avtostat

As of the first eight months of 2013, the sales of i-MiEV model electric cars have doubled in Russia, in comparison with the previous year. The sales figure recorded in January-October period is 100 vehicles.

The total sales figure of the model has reached 200 vehicles, since its introduction to Russian market in October 2011. Mitsubishi i-MiEV had become the first model to obtain a sales certificate in Russia.

Over 40,000 automobile credits have been allocated within two months as part of government's incentive programme

03.09.2013 / Avtostat

More than 40,000 automobile credits have been allocated within the frame of the incentive programme, started by the government two months ago. 35,000 of these credits have been issued in August. There are currently 124 establishments with the authorisation to issue the aforementioned credits in Russia. This number was 65 on 05.08.2013.

The programme, which proposes the allocation of credits with 36-months term for new automobiles with a maximum price tag of 750,000 rubles and LCVs up to 3.5 tonnes, had been brought into force on 01.07.2013. In addition to automobiles manufactured in Russia, imported vehicles are also covered by the programme.

Tyre import to Russia is on the decline

28.08.2013 / Vedomosti

According to data published by the second biggest Russian automobile tyre manufacturer Kordiant, 14.5 million tyres have been imported to Russia, within the first six-months period of 2013 (-11%). The share of imported tyres in Russian market has gone down by 4 points to 46%.

The market share of imported tyres had an upward trend until recently. For instance, tyre imports had increased by 17.9% in 2012, in comparison with 2011, with 29.6 million tyres.

Despite the general decline in imports, the sales of Chinese and Korean brands to Russia have increased by 37% and 18% respectively. The share of these two countries in total imports has increased by 8 points to 33%.

According to the report published by Kordiant, the increasing capacities of foreign manufacturers in Russia is the reason behind the decline in tyre imports to the country in 2013. Nokian, Michelin and Yokohama are amongst the companies who have factories in Russia. Pirelli Rus, on the other hand, operates in partnership with Rostekh. Continental Kaluga factory will commence operations in Autumn 2013. Bridgestone is constructing a factory with Mitsubishi in Ulyanovsk Region.

Tatneft is the sector leader with a share of 18%. The company managed to increase its tyre production only by 1% within the first six months, in comparison with the previous year. The production of Kordiant, who occupies the third place behind Nokian, has declined by 12%, compared to last year. In total, the tyre production has increased by 3% in the country, with 21.7 million tyres.

31.4 million tyres have been sold in the country within the first six months of 2013 (-2%), compared to 2012's annual figure of 59.8 million tyres (+9%).

On average, tyres are changed every 3-4 years in Russia. In other words, now is the time to change the tyres for the automobiles purchased during the post-crisis years of 2009-2010. As one may remember, new automobile sales had fallen almost by a half during those years, in comparison with 2008.

The analysts share the view that the tyre market will improve, in parallel with the automobile market, from 2014 onwards.

Kordiant anticipates that the market will grow by an annual rate of 2%, until the year 2020.

Net profit of UAZ has gone down by a third

28.08.2013 / Prime

The net profit of Sollers affiliate: Ulyanovsk Car Factory (UAZ) has gone down by a third during the first two quarters of the year. The declared amount of profit is 384.6 million rubles. The turnover of the company for the aforementioned period is 13.135 billion rubles (-0.2%). The profit generated through sales has increased by 13.7%, reaching 803.1 million rubles.

It has been stated in the accountancy report published by the company that due to the economic recession, the fiscal indicators remained at low values.

UAZ has sold 24,983 SUVs and pickup trucks within the January-June period (-11%).

1 million automobiles have been manufactured in Russia in January-July period

27.08.2013 / AutoBusiness Review

According to ASM Holding data, 1.075 million automobiles have been manufactured in Russia within the January-July period. This amount is 15.3% below the production figure of the same period of the previous year. 775,000 of the manufactured automobiles belong to foreign brands. The production rate of these brands has increased by 2.3% compared to last year.

The year-end production prediction of ASM is 1.932 million (-1.9%). According to expectations, 1.346 million of this figure will be formed of foreign brands.

Toyota may increase the capacity of its St. Petersburg factory

23.08.2013 / Finmarket

As reported by Bloomberg, Japanese car manufacturer Toyota may increase the capacity of its St. Petersburg factory to 80,000, before 2016. The current annual production capacity of the factory is 50,000 vehicles. According to the agency's sources on this report, Toyota RAV4 is likely to be amongst the models to be manufactured at the factory. Toyota St. Petersburg factory, which was established with an investment of 6.8 billion rubles, had commenced operations in 2007. Camry model automobiles are currently being manufactured in the factory.

Nowadays, Toyota factory is making preparations for the opening of press and plastic details workshops. The two workshops, established with an investment of 2.7 billion rubles, will commence operations in 2014. The localisation rate of the factory is expected to increase to 30% from 15%, with the inclusion of these workshops.

The tariff rate implemented on Euro-4 class intercity buses will go up to 18% within the Customs Union

26.08.2013 / Kommersant

The Eurasian Economic Commission (AEK) is planning to increase the tariff rate implemented on the import of Euro-4 class intercity buses to 18% from 0% in Autumn, in order to protect the local bus industry. The issue will be addressed during the AEK sessions.

The maximum rate of tariff applicable on the aforementioned buses is 18%. As required by WTO rules, Russia has to reduce this rate to 10% by 2017. AEK sources have told that the current 0% tariff rate on Euro-5 class buses will remain unchanged.

The experts in the sector draw attention to the fact that prior to 2013 the production of Euro-4 class buses was almost non-existent in Russia, therefore a relevant tariff implementation was not required. However, it's highlighted that following the start of the production of new engines compatible with Euro-4 standards, the circumstances have changed this year.

The major companies manufacturing long-distance buses within the Customs Union area, formed of Russia, Belarus and Kazakhstan, are: GAZ Group (GoIAZ, LiAZ), KamAZ affiliate: NefAZ, Voljanin and MAZ (Minsk Car Factory). According to AEB data, 5200 buses have been sold in Russia in 2012. 82% of these buses were manufactured in Russia.

The share of SUV segment in Russian market may grow up to 50%

23.08.2013 / Vedomosti

According to Avtostat's prediction, the current 35% share of SUV segment in Russian market may increase to 45-50%, within the next 3 to 5 years. The share of SUV automobiles had risen to 35% from 31% in 2012. 524,900 SUVs have been sold in the country within the January-July period (+11,7%). Both B segment (VW Polo, Lada Granta etc.) and C segment (Ford Focus, Toyota Corolla etc.) sales have fallen during the aforementioned period by 11.6%, 497,000 vehicles and 14.8%, 293,000 vehicles, respectively.

A representative from Toyota has told Vedomosti newspaper that Russians' SUV preference depends on weather and road conditions. While the analysts from Avtostat and Auto-dealer.ru agree with this observation, they also highlight the importance of "image" for SUV purchasers.

The foreign car manufacturers operating in Russia are willing to capitalize on the popularity of SUVs in the country to the full extent. While Renault has been manufacturing Duster in Moscow since 2011, Sollers has started the production of Toyota Land Cruiser Prado in Vladivostok with Mitsui, in mid-2013. PSMA Rus is another manufacturer which entered into SUV production this summer, with Mitsubishi Pajero Sport. Ford Sollers, on the other hand, will start manufacturing Ford EcoSport in Tatarstan in 2014. The partnership is currently manufacturing Explorer and Kuga, besides other models. As reported by Bloomberg, Toyota intends to organise RAV4 production in St. Petersburg.

St. Petersburg factories have manufactured more than 1 million automobiles up to today

22.08.2013 / Auto-Dealer-SPb

According to Auto-Dealer-SPb data, Toyota, GM, Nissan and Hyundai factories, established in St. Petersburg, have manufactured 224,700 automobiles in January-July 2013 period (+4%). Thereby, the number of automobiles manufactured in the city, since the establishment of the first foreign car factory in 2006, has gone over the 1 million vehicles mark.

The four factories manufactured 24,100 automobiles in July-only (-28%). It should be remembered that 3 out of these 4 factories stopped operations for two weeks in July, due to summer holidays.

Toyota, GM, Nissan and Hyundai are currently manufacturing a total number of 11 models: Toyota Camry, Chevrolet Cruze, Opel Astra, Chevrolet Trailblazer, Nissan Teana, Nissan X-Trail, Nissan Murano, Infiniti FX, Infiniti M, Hyundai Solaris and KIA Rio.

The credit programme is helping the recovery of St. Petersburg market

20.08.2013 / Auto-Dealer-SPb

According to Auto-Dealer-SPb data, 114,444 cars and light commercial vehicles have been sold in St. Petersburg within the January-July period. This figure is 4% below the same period of the previous year. The market leader Renault has been followed by Volkswagen and KIA, in second and third places.

The number of vehicles sold in St. Petersburg in July-only is 17,217, on the other hand. The downward trend observed in vehicle sales in the city has slowed down in July. The market shrank by 12% and 9% in May and June respectively. The decline rate remained at 2% in July. Auto-Dealer-SPb sees the new automobile credit programme implemented by the government as the major factor behind the slowing down of the downward trend in the market.

20,000 automobile credits have been allocated in one month, within the frame of the new programme

20.08.2013 / AutoBusiness Review

Russian Minister of Industry and Commerce: Denis Manturov has announced that 20,000 credits have been issued within the first month of the implementation of the new programme drawn by the government, in order to revive the automobile market. The ministry predicts that 250,000 credits will have been allocated by the end of the year. Manturov has stated that financed by the resources allocated from the budget, the programme will be in effect until June 2014. On the other hand, according to the statement made by the Vice-Minister: Alexei Rahmanov at the end of July, the programme will officially remain in force until 01.04.2014, however, there is a chance to extend this time limit to the end of the year, in case the relevant bureaucrats can be persuaded.

Russian LCV market has grown by 4.9% in July

19.08.2013 / Avtostat

15,314 light commercial vehicles have been sold in Russia in July. This is equivalent to a 4.9% rise in the monthly sales figure, in comparison with the previous year. Thereby, the number of LCVs sold within the first seven months of the year has reached 95,745 (+1.7%). 67.2% of the vehicles sold, consists of Russian brands.

GAZ is the dominant figure in the country's LCV market at the moment. The July sales figure of the brand, which holds 47.3% of the market, is 7245 (-5%). The second place is occupied by Sollers affiliate UAZ. UAZ's sales figure is 2137 (+6.3%).

Ford has become the July sales leader amongst foreign brands with 1250 vehicles (+30.3%). Ford is followed by Volkswagen (1142, +4.2%) and Lada (906 vehicles).

MosAvtoZIL is getting ready to establish a LCV factory

16.08.2013 / Izvestiya

Moscow government and Sberbank partnership MosAvtoZIL is getting ready to establish a new LCV assembly facility. As reported by Izvestiya newspaper, the firm, which will undertake the new factory project, will be named in mid-September. According to the project, the annual production capacity of the new factory will be 50,000 light commercial vehicles.

720 million rubles have been allocated for the new factory project. It has been announced that American The PAZ Group and Slovenian Riko have so far applied for the bidding process of the project, which is planned to be completed by mid-2014. The sectoral analysts are of the opinion that due to the growing number of small and medium sized enterprises in Russia, MosavtoZIL's LCV production project seems to be economically viable.

Russia is the third biggest market for Skoda

15.08.2013 / Avtostat

6800 new Skoda automobiles have been sold in Russia in July (-21.8%). Thereby, the number of Skoda sold in the country since the beginning of the year has reached 49,700 (-9%). This is the biggest regional sales figure achieved by the company, after China and Germany. Octavia A5 Liftback has become the best-sold Skoda model in Russia, during the 7-months period (25,570 vehicles, -9%). Skoda has sold 534,300 automobiles throughout the world, since the beginning of the year (-5.5%).

The market share of Renault-Nissan-AvtoVAZ has declined

15.08.2013 / Vedomosti

Nissan has sold 11,605 new automobiles in Russia in July (-8%). With the inclusion of this figure, the share of the brand in Russian market has reached 4.9%. This is the eighth highest market share in the country. The brand's sales figure for seven months is 75,355 (-18%). The best-sold Nissan models are ranked as Qashqai, X-Trail and Juke.

The share of Renault-Nissan-AvtoVAZ partnership in Russia is on the decline. The share of the three brands has remained at 29.8% as of January-July period, following a 0.6 percentage points decline in comparison with the previous year. The total sales figure of the three brands is 467,327 (-8%). By the end of seven months, Nissan has sold 75,355 vehicles (-18%), Lada 264,278 (-11%) and Renault 122,646 (+9%).

The analysts in the sector draw attention to the fact that the model range of Renault-Nissan-AvtoVAZ partnership remains inadequate in responding the changing circumstances such as; the shrinkage experienced in budget-friendly automobiles segment and the increasing competition in the market.

Volkswagen has increased its market share by 0.2 points to 11%, during the aforementioned period. Toyota, whose year-end market share target is 7%, holds 6.2% of the market currently. The market share of GM is around 9-10%.

Despite the current situation, Renault-Nissan-AvtoVAZ executives are adamant on reaching a 40% market share in 2016. However, the analysts think that fulfilling this aim will be difficult for the alliance.

Car production in Russia has declined by 2.6% in January-July period

15.08.2013 / OIB RF

The number of automobiles manufactured in Russia has declined by 2.6% in comparison with the previous year, by the end of the first seven months of the year. 1.1 million vehicles have been manufactured in total. Truck production has declined by 6.8% during the same period, with 109,000 vehicles. The number of buses manufactured within the January-July period is 28,900, on the other hand (-3.2%).

The summer holidays taken by factories are among the factors behind the decline in production. Hyundai, Nissan and Toyota factories had stopped production for 2 weeks and Ford Sollers and Volkswagen for 3 weeks, due to holidays. GM Auto's holiday had extended to a month, on the other hand. The course of the market is another factor, having an effect on production numbers. As is known, the Russian new automobile market has been on the decline in recent months.

More than 100,000 premium automobiles have been sold in Russia in seven months

14.08.2013 / [AutoBusiness Review](#)

Over 100,000 premium class new automobiles have been sold in Russia during the first seven months of the year. According to the prediction published by AutoBusiness Review, this number may go over 190,000 by the end of the year and even hit the 200,000 mark (+9.5%). 6.8% of new car (and LCV) sales in Russia is formed of premium class automobiles.

While the new automobile market shrank by 6% in Russia within the January-July period, the premium class segment grew by the same percentage. Mercedes-Benz has become the segment leader with a share of 22.3%. The share of BMW reached 21.3%. 63.4% of sales made during the 7-months period belongs to Mercedes-Benz, BMW and Audi. This ratio was 58% last year.

Automobile market is growing in only four cities in Russia

14.08.2013 / [AutoBusiness Review](#)

According to Avtostat survey, new automobile sales increased in only four cities in Russia, within the January-June period. According to increase rates, these cities are as follows: Kazan (+7.6%), Tolyatti (+6.1%), Rostov-on-Don (+5.9%) and Krasnodar (+1.2%). Lada Granta, Hyundai Solaris and KIA Rio have become the best-sold models in these cities.

New automobile sales has declined by a very small margin in St. Petersburg during the aforementioned period, compared to the previous year (-0.7%). The best-sold brands in the city are: Ford Focus, Hyundai Solaris and VW Polo Sedan.

The sales of new automobiles have dropped by 2% and above in the remaining Russian cities. The drop rate in Moscow reached 8.4%, by the end of the six-months period.

\$22.4 billion worth of automobile credit will be distributed in Russia this year

13.08.2013 / [Avtostat](#)

According to Avtostat's assessment, \$22.4 billion worth of automobile credit will be distributed in Russia in 2013. This amount is 7% more than last year's credit figure of \$21 billion. (The total figure for 2011 was \$18.1 billion). The assessment also includes the estimated number of credits to be issued this year: 1.2 million. 43% of automobiles sold in Russia in 2012 were purchased with credit. This ratio is anticipated to rise to 46.9% this year. The average amount of credit distributed in 2012 has been calculated as \$17,700, which is equivalent to an average increase of \$1000, in comparison with the preceding year (+6%).

Ford is cutting down Focus and Mondeo production in Russia

12.08.2013 / Vedomosti

Ford Sollers factory, established in Vsevolozhsk, is getting ready to stop the production for 20 days in August-September period. The factory will also reduce the number of shifts from three to two, from 30.09.2013 onwards. The factory administration has informed the trade union that 400 out of the current 2700 employees will be made redundant.

110,000 automobiles had been manufactured in the factory last year. The sectoral analysts share the opinion that this year's production will remain below the 100,000 vehicles mark.

It has been stated by the company that the changes observed in the preferences of Russian consumers have had an effect on this decision. While Focus sales dropped by 16% in Russia during the first six months of the year, SUV sales increased by 11.5%. It's expected that Ford Sollers, who manufacture SUV and LCVs in Tatarstan, will push the production numbers up, taking the growth in these segments into consideration.



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