

Sollers has doubled its Far East production

01.11.2013 / ITAR-TASS

Sollers Far East Factory, established in Vladivostok, has doubled its production within the first nine months of 2013, in comparison with the previous year. 49,000 automobiles have been manufactured in the factory, so far this year.

Sollers Far East Car Factory, which commenced operations in 2009, contains three production lines within itself, for the following vehicles: SsangYong SUV vehicles, Mazda CX-4 and Mazda6 and finally since February, the Toyota Land Cruiser.

In addition, works are currently being carried out, in order to make supply industry production on factory premises.

ITAR-TASS: “ZiL will start manufacturing FIAT Ducato in Spring 2014”.

31.10.2013 / ITAR-TASS

According to ITAR-TASS, Moscow City Government and Italian manufacturer FIAT have agreed to assemble Ducato model light commercial vehicles, at ZiL facilities. The agency has reported that currently the production equipments are being set up at the factory. It has also been stated in the article that due to the manufacturer's obligation to meet the deadline date in order to benefit from the government promoted customs regime, the first party of assembled components will reach the factory by 01.01.2014. The actual production process will commence in April. It's being predicted that the factory will operate with a production capacity of 40,000 vehicles in 2015.

According to the agreement signed between FIAT and the Ministry of Economic Development on 21.06.2011, the Italian manufacturer has made a commitment of \$1 billion investment in Russia and a monthly production level of 120,000 automobiles, in return for several incentives. FIAT had chosen the city of St. Petersburg for production, but the project has failed to be completed.

The signature of a trilateral agreement among MosavtoZiL, Renault and FIAT, proposing the production of LCVs in Moscow, had been reported by the Vedemosti newspaper in August, on the other hand.

Continental Kaluga Factory has commenced operations

30.10.2013 / Avtostat

Tyre manufacturer Continental's Kaluga factory, the construction of which started in 2011, has commenced operations. The initial annual production capacity of the factory has been announced as 4 million tyres. Approximately €240 million has been invested in the project. Continental, Gislaved and Matador brand summer and winter automobile tyres will be manufactured at the factory.

Continental has another factory, which manufactures electronic components and elements of fuel injection systems for automobiles, under the name of Continental Automotive Systems Rus, in Kaluga. As stated by the factory, the construction of a third factory named ContiTech, which will manufacture steering wheels and air conditioning systems in Kaluga, will soon be completed.

The production has declined by 19.5% in AvtoVAZ in nine months

28.10.2013 / Avtostat

AvtoVAZ has manufactured 330,807 Lada brand automobiles within the first nine months of the year (-19.5%). According to the press bureau of the company, Lada Granta has become the most manufactured model during the aforementioned period, with 93,303 vehicles. Granta is followed by Priora with 60,063 vehicles. Number of Kalinas manufactured in January-September period is 47,075.

The other models and their production numbers are as follows; Largus — 50,424; Samara — 35,450; 4x4 — 34,526. (9966 automobiles of several other Lada models manufactured by AvtoVAZ are also included in the total production figure). The number of Lada Granta model manufactured in Izhevsk in January-September period is 45,446, on the other hand (+48.8%).

Mexican components manufacturer Nematik will establish a factory in Ulyanovsk Region

28.10.2013 / Avtostat

A trilateral investment agreement, proposing the establishment of a new automobile supply industry factory in the region has been signed among the Mexican automobile components manufacturer: Nematik, Ulyanovsk Regional Government and Ulyanovsk Region Development Company, on 25.10.2013. According to plans, the factory, the construction of which will start in Spring 2014, will commence operations by the end of 2015.

Engine blocks and cylinder heads will be manufactured at the factory, which will be established on 18.6 hectares of land in Zavoljye Industrial Estate and employ 300 people. The planned annual production capacity is 500,000 units. The amount of investment has been declared as 2.2 billion rubles. Nematik has been manufacturing components such as; cylinder heads, engine blocks and gearboxes, since its establishment in Monterrey/Mexico in 1979.

3.8% of the Russian automobile market belongs to Chinese

28.10.2013 / AutoBusiness Review

The sales of Chinese brands in Russia has increased by 36%, as of the first three quarters of 2013. Chinese brands have achieved a total sales figure of 71,800 vehicles within nine months, which is equivalent to 3.77% of countrywide automobile sales. (This ratio was 2.6% by the end of the same period of the previous year.)

Geely has become the most popular Chinese brand in Russia, with a sales figure of 19,500 vehicles, during the aforementioned period (+64.4%). Geely is followed by Lifan (19,200, +29%), Chery (14,800, +2.8%) and Great Wall (14,500, +70%). FAW, who's developing its model range step by step, has sold 3226 vehicles within the first nine months of 2013.

In contrast, the sales of Haima and BYD have fallen seriously, within the aforementioned period. (57% and 95.5% respectively). As is known, BYD was being assembled at Taganrog Car Factory (TagAZ), which had to discontinue production due to financial difficulties.

Hyundai St. Petersburg factory will increase production in 2014

25.10.2013 / Vedomosti

The General Director of St. Petersburg Hyundai factory: Shin Men Ki has stated that the factory is planning to manufacture 230,000 Hyundai Solaris and KIA Rio model automobiles next year. The production target of the factory for this year is 220,000 vehicles. (The annual production figure for the year 2012 was also 220,000 vehicles). The number of vehicles manufactured as of the first nine months of the year is 167,000. The announced annual capacity of the factory is 200,000.

Hyundai is currently the only car factory, operating in full capacity in St. Petersburg. The company increased its profit by 4.3 times last year, with 6.4 rubles. The turnover, on the other hand, is 78.4 rubles.

According to AEB data, 85,757 Solaris (+2%) and 67,678 Rio (+5%) have been sold within the January-September period of 2013.

Hyundai factory was established with an investment of \$600 million in 2010. The factory employs 2200 people. The number of staff reaches 7700, with the inclusion of the employees in the suppliers park, established right next to the factory.

Outlander has become the most-manufactured model at PSMA Rus

25.10.2013 / Avtostat

PSMA Rus factory, established in Kaluga, has manufactured 34,483 automobiles within the January-September period. Mitsubishi Outlander model forms 40% of this figure.

The press bureau of the factory has stated that 14,064 new generation Outlanders have been manufactured within the aforementioned period. PSMA Rus has been manufacturing this model with CKD method since last November.

Since July 2013, 709 Mitsubishi Pajero Sport model automobiles have been manufactured at the factory. The other models manufactured at the factory and their production figures are as follows; Peugeot 408 – 10,745, Citroen C4 Sedan – 8865.

9836 Peugeot 408 model automobiles have been sold in Russia within the first nine months of the year. The sales figure of the model is equivalent to 38% of the total Peugeot sales in Russia. The sales figure of Citroen Sedan C4 has reached 4297, since its introduction to the market in June. C4 Sedan is the most popular Citroen model in Russia.

The sales of Mitsubishi Outlander has reached 17,451, following a 14% increase, at the end of the January-September period. The number of Pajero Sports sold, including the imported vehicles, is 6284, on the other hand (+46%).

PSMA Rus has exported 540 Peugeot 408 and Citroen C4 Sedan automobiles within the nine months period. 60% of this vehicles have been exported to Belarus and the remaining 32% and 7% to Ukraine and Kazakhstan, respectively. The press bureau has added that PSMA Rus has plans to export automobiles to Moldova and Azerbaijan, as well.

BCG: “Russian market will have grown by 50% by 2020”

24.10.2013 / Izvestiya

According to Boston Consulting Group (BCG)'s prediction, Russian vehicle market will reach a magnitude of 4.4 million vehicles by the year 2020. (As one may remember, 2.9 million vehicles were sold in the country in 2012. It's anticipated that this figure will remain at 2.79 million in 2013, following a 5% decline.) In other words, the market will grow by 50% in seven years.

However, according to BCG's analysis, the growth will come to an end in BRIC (Brasil, Russia, India, China) markets, which currently lead the way in world automotive, within the next few years and the burden of global growth will shift to North African, Southeast Asian and some Latin American countries. The growth rate predicted by BCG for the markets outside BRIC until 2020 is 6%, which means a growth rate faster by fourfold, in comparison with the markets in the developed world.

Production increased by 23% in Renault's Russia factory

23.10.2013 / Avtostat

Renault factory, established in Moscow, has manufactured 143,173 automobiles in January-September period (+23%). The press bureau of the factory has stated that Logan, Sandero, Fluence and Duster models are being manufactured with CKD method and Latitude and Koleos models with SKD method at the factory, currently.

Previously, the factory had announced that the production of Megane Hatchback model will resume at the end of the year. The company aims to manufacture 180,000 automobiles this year, in order to keep up with the demand.

Duster has become the best-sold Renault model in Russia as of the first nine months of the year: 60,246 vehicles (+122%). 38,341 Logans (-20%) and 32,490 Sandero Hatchbacks (-11%) have been sold, within the aforementioned period.

The statement made by the press bureau also included the export of 5425 automobiles (+186%) to countries such as; Kazakhstan and Belarus.

Car production in St. Petersburg continued to decline in September

22.10.2013 / Auto-Dealer-SPb

According to Auto-Dealer-SPb data, Toyota, GM, Nissan and Hyundai factories established in St. Petersburg have manufactured 285,900 automobiles within the January-September period (+1%). The total number of automobiles manufactured by the four factories in September-only is 33,000 (-8%), on the other hand. In comparison, the sales figure for the third quarter of the year is 15% behind the two preceding quarters.

Auto-Dealer-SPB relates the decline in production during the third period to the reduction made by GM factory in their production plans, due to falling demand. The agency predicts that the decline will continue through the fourth period. Finally, the agency reports that Hyundai is the only factory operating in full capacity in the city, at the moment.

The agency has predicted the year-end decline rate in production as 5%. While the sales of models manufactured in the city such as; Hyundai Solaris and KIA Rio increase, the sales of Chevrolet Cruze, Opel Astra and Toyota Camry are on the decline or remain stable, in comparison with the previous year.

Avtotor and BMW have started the construction of a car factory in Kaliningrad

21.10.2013 / Avtostat

Avtotor and BMW have started the construction of the first car factory to be included in the automobile cluster, which is planned to be established in Kaliningrad. As stated by the Chairman of Avtotor: Vladimir Sherbakov, the two parties will be investing €360 million each, at the first stage of the project.

Avtotor had manufactured the 100,000th BMW in Kaliningrad factory in August. The roots of the BMW-Avtotor partnership go back to 1997. Half of the BMW automobiles sold in Russia at the moment are being manufactured in Kaliningrad.

Car production in Russia has declined by 7.2% in September

18.10.2013 / Rosstat

According to Rosstat data, 1.4 million automobiles have been manufactured in Russia, during the first nine months of 2013 (-2.5%). The number of automobiles manufactured in the country in September-only is around 200,000 (-7.2%). AvtoVAZ started the production of the regenerated models of Lada Priora and Lada Kalina in September. Due to the decline in the sales of C-class automobiles manufactured in Vsevolozhsk, Ford Sollers has reduced the number of shifts to two in the factory, on 09.09.2013.

145,000 trucks have been manufactured in Russia within the January-September period (-5.5%). The number of trucks manufactured in September-only reached 19,000 (+3%), on the other hand. The number of buses manufactured within the first nine months of the year has declined by 2.5% in comparison with the previous year, with 39,300 vehicles. The September production figure is 5100 vehicles (-7.2%).

70,000 heavy tonnage trucks have been sold in Russia within the January-August period

14.10.2013 / NAPI

According to Russian market surveys company: NAPI data, 69,600 heavy tonnage trucks have been sold in the country, within the first eight months of the year (-15.3%). 8885 trucks have been sold in August-only (-26.4%).

The best-sold truck brands and their sales figures as of eight months are as follows; KamAZ (%29,1), GAZ (%11,8), MAZ (%9,3), Scania (%6), Hyundai (%5,6), Man (%5,6), Volvo (%5,6), Mercedes-Benz (%3,7) and Shaanxi (%3,4).

Ford Sollers has shifted to CKD method in Kuga production

16.10.2013 / Avtostat

Ford Sollers factory, established in Elabuga, has shifted to CKD method, in the production of Kuga model automobiles. The company CEO: Ted Cannis has stated that the sales of Ford Kuga is increasing rapidly. The number of vehicles sold in 2013 has already exceeded 8000.

Ford Sollers had started manufacturing Ford automobiles in Elabuga in 2012. Transit, Explorer, Kuga, S-Max, Galaxy and Turneo model cars and LCVs are currently being manufactured at the factory.

As announced by Ford Sollers previously, the production of Edge model will start in the beginning of 2014. The company will start manufacturing Ford EcoSport in Naberezhniye Chelny factory, with CKD method, next year.

Spanish CIE will build a factory in Togliatti

10.10.2013 / ITAR-TASS

The Advisory Committee of Russian Ministry of Economic Development has approved Spanish CIE's project, proposing the establishment of an automobile components factory in Togliatti. The project is worth 1.9 billion rubles.

According to ITAR-TASS, the factory, which will manufacture cast aluminium components for automobile engines, will be constructed at Togliatti Special Economic Zone. The construction of the factory is planned to start during the first quarter of 2014. The operations will commence within the third quarter of 2015, at the facility. CIE is aiming to reach an annual production capacity of 6500 tonnes in Togliatti, by 2017. The primary aim of the company is becoming the supplier of the AvtoVAZ-Renault-Nissan partnership.

CIE Automotive supplies manufacturers such as: Renault, Ford, GM and FIAT with interior and exterior details for vehicles, besides engine, transmission, gearbox, chassis and steering-wheel systems components.

The Chairman of the state owned Russian Special Economic Zones Mihail Trushko has told ITAR-TASS that with the inclusion of CIE, the amount of investment in Togliatti SEZ has exceeded 16.3 billion rubles.

Export is increasing in Russian automotive, in contrast with the declining imports

10.10.2013 / AutoBusiness Review

According to Russian Federal Customs Services data, the number of imported automobiles into the country has declined by 21.6%, by the end of the first eight months of the year. The monetary value of the 598,800 imported automobiles has been calculated as \$11.44 billion (-20.6%).

The number of automobiles exported from Russia within the January-August period, on the other hand, has increased by 20% in comparison with the previous year, with 81,700 vehicles. This export is equivalent to \$865.9 million, in monetary terms.

Bosch is looking for suppliers for its Samara plant

09.10.2013 / AutoBusiness Review

Bosch is currently searching for suppliers for the factory it will establish in Samara region. For this purpose, the company will hold an “open door” event, in cooperation with the Samara Region Ministry of Economic Development, between 5-7 November. In the announcements, it has been emphasised that the suppliers, who are willing to invest in Russia, are invited to the event.

As one may remember, a memorandum of understanding had been signed between Bosch and the administration of Samara region, proposing the establishment of a new factory in the region, at the end of July. The factory will be established within a 170 hectares new industrial park, 10km distance from Samara.

The statement of the Director of Bosch’s Eastern Europe Purchasing Department: Frank Lengfeld has been reflected in the sectoral press as follows; “Our strategy in Russia is based on working with local suppliers in the production process. We expect; high and consistent quality, competitiveness in the international arena and performances within just-in-time principle, from our suppliers.”

Bosch’s own publications state that it’s aimed to reach a localisation rate of 60% at the Samara factory, which will commence operations in 2015, by 2019. According to the plans of the company, the suppliers to be cooperated with will commence operations in February 2015 and the factory itself in April 2015. Bosch will supply components for chassis, starters, generators and diesel systems for Lada automobiles established on B platform, which will be manufactured by AvtoVAZ from the second quarter of 2015 onwards.