

Tariffs on electric cars have been suspended for two years in Russia

03.02.2014 / RBK Daily

Tariffs on electric cars have been suspended for two years in Russia, as of 01.02.2014.

Currently, Mitsubishi i-MiEV is the only electric car model in the Russian market. The sales price of the model has nearly halved following the suspension of tariffs. 109 of this model have been sold in the country in 2013. Mitsubishi is planning to put another electric model: Outlander PHEV on the Russian market in near future.

BMW i3 and Nissan Leaf are the other brands and models, which are likely to be introduced into the market. AvtoVAZ's electric model: El Lada, on the other hand, is currently in test phase.

Despite all these developments, the sectoral experts are not anticipating a sharp rise in electric car sales. The high sales prices of electric models, in comparison with the fossil fuel vehicles, are amongst the factors behind this prediction. The existing insufficient infrastructure serves as another obstacle, hindering the development of the market in the country.

Production of Daewoo buses will start in 2014

03.02.2014 / Finmarket

Ingushetian President Yunus-Bek Yevkurov has announced that the production of Daewoo buses in Ingushetia will start this year. Yevkurov has made the following statement: "We are planning to start the production of three different types of Daewoo passenger buses this year. The models will comply with the highest world standards. Our aim is to manufacture the majority of components in Ingushetia, if not all, as well as the assembly."

Officials from Ingushetian Ministry of Economy have stated that 402 million rubles will be invested in the factory, which will have an annual production capacity of 500 buses. The following Daewoo models are planned to be manufactured: 6109 (9 metres), 6112 (12 metres) and the intercity BH 120 F.

PSMA Rus has increased production by 10.8% in 2013

30.01.2014 / Avtostat

Kaluga based PSMA Rus car factory has manufactured 40,700 vehicles in 2013 (+10.8%). The press office of the factory has stated that 19,620 new generation Mitsubishi Outlander have been manufactured last year (45% of the total production). In addition, the factory has manufactured 11,449 Peugeot 408, 10,373 Citroen C4 Sedan and 3671 Mitsubishi Pajero Sport in 2013.

12,971 Peugeot 408 have been sold in Russia in 2013. The sales figure reached by Citroen C4 Sedan, since its introduction to the market in June, has reached 7557 until the end of the year. Including the imported automobiles, 26,542 Mitsubishi Outlanders have been sold during the year. The sales figure of Mitsubishi Pajero Sport stands at 8198, on the other hand.

AvtoVAZ will manufacture 150,000 automobiles for Renault-Nissan this year

29.01.2014 / Auto Business Review

The new chairman of AvtoVAZ Bo Anderson has told during an interview that 150,000 automobiles will be manufactured for Renault-Nissan at Tolyatti and Izhevsk factories in 2014. Nissan Almera will be manufactured at these factories, besides two Renault and one Datsun models. As is known, AvtoVAZ has been manufacturing Almera since December 2013.

Andersson has added that currently the company is making plans for the next three years and the priorities are as follows; to strengthen the Lada brand, to make the company profitable again, to create a free money flow and to improve the image of the company.

Russian-Japanese partnership will manufacture wiring for automobiles in Yekaterinburg

27.01.2014 / Interfaks

The Russian-Japanese partnership: Ural Wiring Systems will manufacture wiring for Renault and Nissan from June 2014 onwards. The relevant statement has been made by the General Director of the company: Toru Sinagawa. The company is planning to restructure a factory in Yekaterinburg for production.

The establishment agreement of Ural Wiring Systems had been signed between Ural Radio Components Factory and Sumimoto Wiring Systems in July. Sumimoto is currently the supplier of car manufacturers such as; Honda, Nissan, Peugeot, Renault and Toyota.

Yekaterinburg car market has shrunk by 6% in 2013

27.01.2014 / Auto-Dealer-Yekaterinburg

According to Auto-Dealer-Yekaterinburg agency data, 94,394 new cars and light commercial vehicles have been sold in Yekaterinburg in 2013 (-6%). 8631 vehicles have been sold in the city in December-only (+1%). The December sales figure indicates that the city's vehicle market has shown an upward trend in two consecutive months.

Despite the 18% decline, Lada has once again become the best-sold brand in the city in 2013: 12,071 vehicles. The most popular foreign brand is KIA with 7773 vehicles (+22%). These two brands are followed by Toyota with 7579 vehicles (-8%). The leader of the previous three years: Chevrolet is ranked eighth with 5111 vehicles, on the other hand (-39%).

The share of Yekaterinburg in Russian market has reached 3.4% in 2013. This rate was 3.3% in 2012. The market will stay below the 100,000 vehicles mark one more time in 2014, according to the prediction made by the agency.

277,000 induced automobile credits have been issued in Russia in 2013

27.01.2013 / Avtostat

It has been announced that approximately 277,000 credits have been issued within the frame of the induced automobile credits programme, put into practice by the Russian government in order to support the vehicle market in July, until the end of 2013. According to the Ministry of Industry and Commerce data, as of 05.01.2014, the number of new automobiles and light commercial vehicles purchased with the allocated credits has reached 276,640.

Lada forms 23.2% of the aforementioned amount. The highest share amongst the foreign brands belongs to Chevrolet with 11.4%. Renault (11.2%) and KIA (8.9%) follow these two brands.

Russian Deputy Prime Minister: Arkady Dvorkovich has stated that the course of the market will determine, whether the validity term of the programme will be extended beyond the current expiry date of 31.12.2014 or not.

Car production in Russia has declined by 2% in 2013

24.01.2014 / Avtostat

According to Russian Federal Institute of Statistics: Rosstat data, 1.9 million automobiles have been manufactured in the country in 2013 (-2%). Despite the 20.6% decline in production, AvtoVAZ has once more become the leader of automotive, with a production figure of 438,435 automobiles.

New models have been added to the range of foreign automobiles manufactured in Russia in 2013: Toyota Land Cruiser Prado, Chevrolet Aveo, Hyundai i40, Hyundai Equus, Citroen C4 Sedan, Mazda6, Chevrolet Trailblazer, new Skoda Octavia, Mitsubishi Pajero Sport and Luxgen7 SUV. Another remarkable development in 2013 was the increase observed in the exports of factories operating in Russia to CIS countries.

The production figures of some factories are as follows; Hyundai - St. Petersburg: 229,400 (+2.4%), Renault - Moscow: 198,546 (+1%), Toyota - St. Petersburg: 35,685 (+25%), Nissan - St. Petersburg: 47,105 (+8.2%). In addition, AvtoVAZ has manufactured 20,000 Nissan Almera Sedan in 2013.

According to Rosstat data, 209,000 trucks have been manufactured in Russia in 2013 (-1.5%). The biggest truck manufacturer of the country: KamAZ is aiming to increase its market share in tow trucks market to 25% from 2-5% with its new model KamAZ-5490, the production of which started in October. The productions of the new generation GAZel Next and Mercedes-Benz Sprinter Classic have also started in Nizhni-Novgorod in 2013. Ford Turneo Custom, manufactured by Ford Sollers in Elabuga, can be added to the list of new models manufactured in Russia. Avtotor is another company, which extended its model range last year. The company has started the production of 7.5-10 tonnes Hyundai brand commercial vehicles.

Sollers - Far East Factory has increased production by 90% in 2013

22.01.2014 / Avtostat

Vladivostok based Sollers-Far East factory has manufactured 68.521 automobiles in 2013 (+90%). 34,128 of these automobiles belong to SsangYong brand (+4%). Sollers-Busan partnership, which commenced operations within the scope of the factory in February 2013, has manufactured 7780 Toyota Land Cruiser Prado until the end of the year. Another company operating in the factory: Mazda Sollers Manufacturing Rus, has manufactured 26,600 Mazda CX-5 and Mazda6 model automobiles.

The sales of SsangYong have increased by 9% in Russia in 2013, in comparison with the previous year, reaching 34,055 vehicles. The sales figure of Mazda CX-5, one of the models manufactured in Vladivostok, has risen to 19,725 in 2013 (+51%). 10,379 Mazda6 have been sold, on the other hand (+2%). The sales of Toyota Land Cruiser Prado have fallen by 15.5% to 14,519 vehicles.

AvtoVAZ will invest 180 billion rubles in development

27.12.2013 / gazeta.ru

The Governor of Samara Region: Nikolai Merkushkin has announced that besides making new investments worth 180 billion rubles, AvtoVAZ is aiming to launch 30 new models until the year 2020. The Governor has stated that part of the aforementioned amount will be financed from the budget of the regional administration in 2014: “The 600 million rubles to be allocated for the subsidy of the machinery production and supply industry plants will induce these facilities to reach the level required by AvtoVAZ.”

However, some sectoral experts share the view that it will neither be easy nor necessary for AvtoVAZ to develop 30 new models until 2020. The General Director of Avtostat: Sergei Tselikov, for example, is of the opinion that what the company really needs is the creation of a new platform model, rather than making new variations of the existing models.

On the other hand, according to the financial analysts of VTP Kapital, becoming a competitive manufacturer in Russia by renewing its model range is out of question for AvtoVAZ: “AvtoVAZ is manufacturing Lada Granta and Largus. There’s a demand for these models. Therefore, the renewal of the model range must continue in this direction. Its strong position in the budget-friendly automobiles segment is the biggest advantage of AvtoVAZ. They have manufacture inexpensive and high-quality cars.”

The Act which made the installation of ERA-GLONASS compulsory for automobiles has been approved by the Russian parliament

26.12.2013 / auto.vesti.ru

Russian legislative organ: Duma has passed the law making the installation of ERA-GLONASS (traffic accident emergency action warning system) compulsory for automobiles. The law will come into force as from 01.01.2014. The implementation will extend to Belarus and Kazakhstan from 2015 onwards.

Accordingly, the installation of the ERA-GLONASS device has been made compulsory for M (passenger transport) and N (freightage) categories. It’s anticipated that the system will help emergency crews in countries where traffic accidents are frequent, to save an extra number of 4000 people annually, by reducing the arrival time to the point of accident by 30-40%.

The device enables the operator in the centre to get in touch with the driver, by automatic activation in time of accident or being activated manually by pressing a button. In case the driver loses consciousness and fails to respond, the operator diverts the emergency crew to the point of accident.

Russian government's 2014-2016 budget for automotive subsidies is \$8 billion

22.01.2014 / Kommersant

The incentives allocated for domestic car manufacturers in Russia for the 2014-2016 period will be used on R&D expenditures, the production of automobiles which comply with Euro-4 and Euro-5 environmental standards and the fulfilment of their guarantee obligations, energy expenditures and the protection of employment. According to documents published by the government, a total amount of 270 billion rubles; 84.3 billion for 2014, 90.1 billion for 2015 and 96.6 billion rubles for 2016; has already been allocated for this purpose.

162.4 billion of the total 270 billion amount will be used on employment protection, 81.2 billion on the production of Euro-4 and Euro-5 standard vehicles, 19 billion on energy and 8.1 billion on R&D expenditures.

Sources speaking to Kommersant have stated that the government had to allocate these subsidies due to the expansion of the implementation of the renewal tax to the domestic manufacturers, as a result of the pressure applied by WTO and EU. According to the Russian Ministry of Finance data, the amount of renewal tax to be collected from Russian manufacturers will have reached 383 billion rubles by the end of the 2014-2016 period. 70.5% of this amount will be compensated by the incentives.

Companies manufacturing within the frame of the Industrial Assembly Regime, including Avtotor, will benefit from the incentives. Companies such as; TagAZ and Derways, which operate outside the regime, will not be entitled to incentives. At the moment it also seems unlikely that the scope of the incentives will reach the companies manufacturing trucks and LCVs on prefabricated bodyworks.

Deloitte: “Russian car market will become the Europe’s biggest in 2020.”

21.01.2014 / Vedomosti

According to Deloitte’s Global Car Market Survey, Russian new car market will become the biggest in Europe and fifth worldwide in 2020. The company’s 2020 market prediction is 4.4 million new automobiles. The survey has revealed the number of automobiles per 1000 people in Russia in 2012 as 271. This ratio is 561 for Germany.

According to Association of European Business (AEB) data, 2.78 million new cars and LCVs had been sold in Russia in 2012 (-5.5%). The president of AEB Car Manufacturers Committee: Georg Schreiber is of the opinion that with the development of the currently weak leasing sector in the country, the Russian market will make a leap forward and possibly overtake the saturated German market, to become the biggest car market in Europe, in the forthcoming years. In the meantime, AEB’s sales prediction for 2014 is 2.73 million vehicles (-1.6%).

Russian LCV market has shrunk for the first time in 2013 since the crisis

21.01.2014 / Avtostat

179,727 new light commercial vehicles have been sold in Russia in 2013 (-3.4%). Thereby, the LCV market has closed the year on the decline for the first time since 2009. 66.7% of the light commercial vehicles sold in the country in 2013 belongs to Russian brands. GAZ has become the market leader once again, with a sales figure of 82,395 vehicles (-8.7%). In other words, 47.5% of the market was held by GAZ last year. UAZ occupies the second place with 22,380 vehicles (-19.7%). Volkswagen is the third best-sold brand: 14,040, +2.7%. This trio is followed by Ford with 13,826 vehicles (+15.8%). Lada is ranked fifth with 10,518 Largus and VIS sales.

Korean Kdac will manufacture in Tolyatti

21.01.2014 / Avtostat

The establishment agreement of the Russo-Korean partnership: Kdac Termal Rus has been signed in Tolyatti today. The company will manufacture brazing system radiators, condensers and engine cooling modules in the region, in addition to the assembly of (RFM) heating and ventilation (HVM), ventilation and air condition modules.

The biggest union of car component manufacturers in the country: United Automobile Technologies (OAT) forms the Russian side of the partnership. The total value of the investment is 25 million rubles. The premises belonging to ZAO Motor Super, situated near AvtoVAZ and GM-AvtoVAZ factories, has been chosen for production.

Kdac Termal Rus will commence operations this year, according to plans.

Atsumitek Toyota Rus will establish a factory in Tolyatti

17.01.2014 / Tolyatti SEZ

Tolyatti Special Economic Zone (SEZ) administration has announced that Atsumitek Toyota Rus company has submitted the tenancy agreement documents, concerning the establishment of a factory in the region. 5 hectares area has been allocated for the project. Atsumitek will manufacture mechanisms for manual and automatic gearboxes in the region. The construction of the factory will start within this year and the operations will commence in 2015, according to plans.

There are more than 39,000 car service points in Russia

20.01.2014 / Avtostat

According to Avtostat survey, there are more than 39,000 car service points in Russia. The administrative region with the most number of service points is Moscow city and region combined, with 5300 establishments. The number of points in St. Petersburg and Leningrad Region is around 3100. This duo is followed by Novosibirsk with 2000 points. The number of establishments in Tatarstan Republic and Sverdlovsk Region is in between 1500 and 2000.

Mordovian Republic and Sakhalin Region are the poorest regions in car services, with numbers of service points less than 100. The situation is not much more improved in the westernmost regions of the country, such as Orel and Smolensk.

Only 10% of service points is formed of official dealers, the overwhelming majority (90%) being independent enterprises. 21% of these establishments are technical service points, where all kinds of services are carried out and 69% are specialised in only 2 or 3 fields.

Russian auto service market has a volume of 379 billion rubles

16.01.2014 / Avtostat

According to Avtostat survey, covering 64 administrative regions, where 93% of Russian vehicle park is concentrated, the magnitude of the auto service market is around 379 billion rubles (\$11.4 billion). The services given by independent establishments, such as; technical service and repairs, car wash, tyre assembly and bodywork repairs, are also included in the above amount, in addition to the official distributors. The repair works conducted by automobile owners and individual repairmen have also been taken into consideration during the survey.

The highest shares in the market belong to bodywork repairs (27%) and car wash (23%) and the lowest to tyre assembly and maintenance services (5%).

Regionally, Moscow city, combined with Moscow region, is the leader of the market with 86.3 billion rubles. The second place is occupied by St. Petersburg and Leningrad region with 29.6 billion rubles. Krasnodar Krai follows the capital cities with 14.1 billion rubles. Other regions and republics with market volumes above 10 billion rubles are as follows; Sverdlov, Rostov and Tatarstan.

Russian vehicle market has shrunk by 5% in 2013

15.01.2013 / OIB Russia

Russian vehicle market has shrunk by 5% in 2013. According to Association of European Business (AEB) data, 2,777,447 new cars and light commercial vehicles have been sold in Russia in 2013 (-5%). The December-only sales figure is 264,257, on the other hand (+4%).

AEB's 2014 market prediction is 2.73 million automobiles.

Lada has become the leader of the market with a sales figure of 456,309 vehicles in 2013 (-15%). Renault occupies the second place with 210,099 vehicles (+11%). The duo is followed by KIA with 198,018 vehicles (+6%).

The share of Chinese brands in Russian market has increased by 1.1%

20.01.2014 / Avtostat

According to AEB data, over 100,000 new Chinese cars and light commercial vehicles have been sold in Russia in 2013. Thereby, the share of the Chinese in the Russian market has risen to 3.7% from 2.6%.

While the sales of all Chinese car brands -apart from BYD- have increased in 2013, in comparison with the previous year, the sales figures declined for LCV brands, such as BAW, Haima and Foton. FAW has become the only exception to this trend, following an eightfold increase in sales, compared to 2012 (4838 vehicles).

Lifan has become the best-sold Chinese car brand in Russia in 2013: 27,467 vehicles, +34%. The second place is occupied by Geely with 27,263 (+55%). The top-two are followed by Great Wall with 19,954 vehicles (+39%). The sales figure for Chery is 19,855 (+4%).

Avtostat analysts are of the opinion that the share of Chinese brands in Russian market may reach 6% in the short run and 10% in the long run. According to the analysts, the secret behind the Chinese success is their focus on increasing the number of sales points and technical service facilities in the country in 2013, in addition to a more important factor: an economic and broad product range offered to the customers.