

Car production in Russia fell by 28% in 2015

26.01.2016 / Autostat

According to Rosstat data, 1.2 million cars have been manufactured in Russia in 2015, down by 28% year-on-year.

The leader of Russian automotive industry, AVTOVAZ, has started updating the model range of LADA last year. The production of the new LADA Vesta sedan has started in Izhevsk car factory in September and in December another new model, LADA XRAY hatchback, has appeared on the production lines at Tolyatti plant.

The foreign car manufacturers have continued to expand their range of assembly in Russia last year (Datsun mi-DO, Ford Fiesta, Hyundai Elantra, Nissan Qashqai, BMW X4, KIA Sorento Prime etc.). In the meantime, during the continuous fall of demand for automobiles in Russia, many foreign car factories have cut the numbers of production lines and working shifts and General Motors has ended production altogether, leaving the Russian market.

Hyundai St. Petersburg plant has maintained its leadership amongst the foreign car manufacturers in 2015, manufacturing 229,500 vehicles (-3.2%): 129,400 Hyundai Solaris (-2.2%) and 100,100 KIA Rio (-4.4%). Nissan has manufactured more than 33,600 Nissan automobiles at its St. Petersburg facility (+6%), the SUV models X-Trail and Qashqai being the locomotives of the growth. A total number of 107,000 Nissan vehicles have been manufactured in Russia in 2015: X-Trail, Pathfinder and Qashqai in St. Petersburg, Almera assembled at AVTOVAZ facilities in Tolyatti and Sentra and Tiida in Izhevsk. The Russian plant of Toyota Motor has manufactured 32,882 Toyota Camry sedan last year (-10.2%). 34,218 Chevrolet Niva have been manufactured at GM-AVTOVAZ, which indicates a 24.1% year-on-year decline in the production figure.

According to Rosstat data, 131,000 trucks have been manufactured in 2015, down by 14.7% in comparison with the previous year.

It should be noted that due to the shrinkage in demand for commercial vehicles, Kaluga Volvo Trucks factory has suspended the production of Volvo and Renault trucks between February and October, St. Petersburg MAN factory stopped operations from March to mid-May and the line which produced Mitsubishi Fuso Canter at MB Trucks Vostok remained idle from April to September.

Meanwhile, Gorky Automobile Factory (GAZ) has begun the production of the new all-metal van GAZel Next and the new generation of the medium-tonnage truck GAZon Next. Ural Car Factory has started the serial production of the new family of Ural Next. The production of the new Ford Transit with full-cycle technology has begun at Elabuga Ford Sollers plant and the assembly of the new series of the LCV T6 (Transporter, Caravelle, Multivan) has been initiated at the facilities of Volkswagen in Kaluga. In addition, Kaliningrad Avtotor factory has completed the organisation of the production of Ford trucks.

Finally, bus production has shrunk by 17% in Russia in 2015, to 36,700 vehicles.

Car production has fallen by 15% in St. Petersburg in 2015

28.01.2016 / Auto-Dealer-SPb

According to Auto-Dealer-SPb data, St. Petersburg based Hyundai, Nissan, Toyota and GM factories have manufactured a total number of 307,700 vehicles in 2015, which is equivalent to a 15% year-on-year shrinkage. The share of Hyundai in the city's car production has reached 75% (69% in 2014), Nissan and Toyota remaining at 11% each.

Nissan has become the only factory, which managed to increase production. The company has manufactured more than 33,600 vehicles in 2015, 7% above the 2014 figure, as reported by Autostat. The bestseller models: Nissan X-Trail and Nissan Qashqai were the stimulators of the growth in production.

St. Petersburg Hyundai factory has manufactured 229,500 vehicles in 2015, which is 3.2% lower than the previous year. 129,400 Hyundai Solaris (-2.2%) and 100,100 KIA Rio (-4.4%) were produced at the plant. It should be noted that the production of the renewed Rio model has started at the facility last year.

The number of Toyota Camry manufactured at the Toyota plant has shrunk by 10.2% in 2015, compared to last year, with 32,882 vehicles.

The analysts from Auto-Dealer-SPb are of the opinion that the performance of the St. Petersburg auto-cluster may be considered as successful, in view of the 28% decline in Russian car production. The flagship models of each of the three factories have performed much better than most of their competitors in the country. As the sales of Hyundai Solaris and KIA Rio increased in 2015, Nissan X-Trail has become the most popular crossover in Russia.

December has become the most productive month of the year for the car factories. Three plants (GM stopped operations as of 1 July) have manufactured 30,200 vehicles in total, 4% over the December 2014 figure. The positive December figures have helped increase the share of St. Petersburg in Russian automobile production. The share of the city has reached 25.6% in 2015 (23.1% by the end of 11 months, up from the 21.3% in 2014).

Seven models have been manufactured in St. Petersburg factories in December: Nissan Qashqai, Nissan X-Trail, Nissan Murano, Nissan Pathfinder, Toyota Camry, Hyundai Solaris and KIA Rio. Four of these models have made it into the Top-20 most popular automobiles in Russia chart (Solaris, Rio, Camry and X-Trail).

The sales of Chinese automobiles fell by 52% in Russia

26.01.2016 / Autostat

The number of Chinese cars sold in Russia has declined by 52% year-on-year in 2015, with 38,753 vehicles (2014 figure: 81,292). The Russian market has shrunk by 36% last year. Thereby, the share of Chinese automobiles in Russian market has fallen from 3.5% to 2.6% in a year.

Lifan has once more become the leading Chinese brand in Russia (15,131 vehicles). The drop in Lifan sales corresponds with the average decline rate. Geely has maintained its position as the second most popular Chinese brand, performing 38% below the 2014 sales figures (11,617 vehicles). Out of the top-three, Chery has experienced the sharpest decline in sales with 73% (4964 vehicles). Great Wall has performed even more poorly, the sales of which fell by 79% (3181 vehicles). The brand has suffered the steepest decline in sales, amongst the Chinese brands.

The only Chinese brand which managed to increase its sales during the year was Brilliance (+26%), despite a low sales figure: 1202 vehicles only. The newcomer to Russian market Dongfeng has performed a little bit better (1365). 2015 was the debut year for the brand. The sales figures of the remaining Chinese brands vary, none exceeding the 1000 vehicles mark.

Autostat analysts share the opinion that Lifan and Geely are the only two Chinese brands with strong positions in the Russian market as yet. The rest of the Chinese brands will remain within the “risk zone” this year, only having a foothold in the market.

KAMAZ sales fell by a quarter in 2015, to 29,000 trucks

25.01.2016 / Interfax

KAMAZ has sold 29,000 trucks home and abroad in 2015, as stated by the company general director Sergei Kogogin on Friday. “We have sold 29,000 trucks, 22,000 in Russia. Our focus has shifted to non-CIS countries. The export ratio has always been 70% CIS countries and 30% non-CIS, which is successful in my opinion.” said Kogogin.

In 2014 the company has sold 32,600 trucks in Russia, 38,900 in total, with the addition of exports. The total shrinkage rate is 25.45%, going up to 32.5% with the inclusion of Russian figures.

KAMAZ planned to sell 28,800 trucks home and abroad in 2015, which would generate a turnover of 95-97,000 billion rubles, according to Kogogin. The senior manager has not disclosed the financial figures for 2015, preferring to wait for the publication of the statements. KAMAZ Group expects a net loss of 3.59 billion rubles for 2015, in contrast with the 211 million rubles net profit in 2014. The expected revenue is 97.7 billion rubles (110,599 billion rubles in 2014).

The government has approved the automotive industry support measures for 2016

25.01.2016 / Kommersant

Russian PM Medvedev has signed a government decree, proposing a 50 billion rubles support for the Russian automotive industry in 2016. The head of the government has made the relevant announcement during the meeting at AVTOVAZ on 22 January.

As expected, the amount of funding has remained unchanged according to traditional anti-crisis measures, as written in Kommersant newspaper. Accordingly, 22.5 billion rubles have been allocated for the automobile utilisation programme, 5 billion rubles for promotional leasing and 3 billion rubles for the purchases of natural gas fuelled vehicles. Thereby, the funding for the induced car loans programme has been reduced by 1.2 billion rubles, to 2.3 billion rubles year-on-year, however, an additional amount of 9.9 billion rubles have been allocated for the fulfilment of the obligations of equivalent programmes, implemented in 2013 and 2015.

Moreover, a new demand stimulating measure has been proposed during the meeting: 3 billion rubles worth of subsidies for ambulance procurement. The last procurement of ambulances had been made nearly a decade ago, with 17,000 vehicles (the total ambulance number:22,000), as told by the Health Minister Veronika Skvortsova in December 2015. Vladimir Putin has also highlighted the need to renew the ambulance fleet, during his speech at the Federal Assembly. According to sources, the biggest LCV manufacturer of Russia: GAZ Group has lobbied for the technology renewal subsidies, with the potential support of Ford with its Transit model, Mercedes with Sprinter and UAZ. Due to the budget deficit, the necessary amount of 3 billion rubles has been transferred from the funds originally allocated for the support of exports.

Both PM Medvedev and the minister of industry and commerce Manturov have stated that the exports will give the chance to compensate for the collapse of demand in the Russian market, when the devaluation of the ruble is taken into consideration. The presentation of the ministry of industry and commerce at the meeting indicates that the department, which organises the Russian subsidiary of Renault, has plans to start production in Algeria, with a potential amount of 22,000 vehicles this year. The assembly of KAMAZ, GAZ Group, UAZ, AVTOVAZ and Nissan can be organised in Iran, the second biggest market for the Russian automotive industry, with 11,000 vehicles. The Ministry of Industry and Commerce expects an approximate volume of 5000 automobiles in European markets, through direct imports (AVTOVAZ, GAZ Group). The ministry is aiming to increase the share of Russian automobile exports from 7.7% to 25% until 2025.

The second anti-crisis measures to be taken concerning the development of the automotive industry is the import substitution of components. Concrete measures will only be taken within the frame of the new strategy for the development of the industry, which will be formulated until 1 March 2016. Manturov has stated that the new strategy will be based on a conservative scenario, taking production capacity into consideration and the focus will be on the optimisation of inefficient facilities.

Renault-Nissan expects further shrinkage in Russian automobile market

22.01.2016 / Prime

The general director of Renault-Nissan Carlos Ghosn expects that the shrinkage will continue in Russian automobile market in 2016. However, the company have no plans to exit the Russian market. In order to reduce the dependency on foreign supplies the localisation is going to be increased, told the businessman to Bloomberg, during the forum at Davos, Switzerland.

“Unfortunately, the prospect for the Russian market in 2016 seems to be downwards. We’ll experience further shrinkage. The situation doesn’t look too good, but the car manufacturers are preparing themselves accordingly, some are leaving the country, some, like us, believe that the Russian market will recover.” - said the senior manager.

According to Association of European Businesses data, the sales of Renault fell by 38% in Russia in 2015, to 120,400 vehicles and Nissan by 44% to 91,100.

Electric car sales fell by 31% in Russia in a year

22.01.2016 / Autostat

According to Autostat data, the sales of electric cars have fallen by 31% in Russia in 2015, to 122 vehicles. Almost half of the electric cars sold in the country belong to Tesla S (47.5%), with 58 vehicles, despite the 29% year-on-year shrinkage in the sales of the model. The second most popular model was Mitsubishi i-MiEV, with a market share of 22%. The Japanese manufacturer sold 27 vehicles (-7%). Nissan Leaf and LADA Ellada sold 14 vehicles each last year, with shrinkage rates of 46% and 22%, respectively. BMW i3 (6 vehicles) and Renault Twizy (3 vehicles) were the other electric car models which found customers in Russia, both tripling their sales year-on-year.

Car imports fell by 52% in 11 months

18.01.2016 / Autostat

Car imports have fallen by 51.6% in Russia within the first 11 months of 2015, to 315,200 vehicles. According to Russian Federal Customs Service data, the monetary value of the imports within the aforementioned period is equivalent to \$5.9072 billion. The decline rate in car exports of Russia reached 24.9% by the end of the first eleven months of 2015. 87,000 vehicles have been exported, totaling a sum of \$976.6 million.

The truck imports have also shrunk by 66.2% within the January-November period, with 19,500 vehicles, equivalent to \$760.8 million in monetary terms. The truck exports have fallen by 13.6%, to 16,900 vehicles, generating \$398.5 million.

The Russian government is formulating a strategy for the development of automotive industry until 2025

19.01.2015 / Finmarket

President Putin has given a series of instructions to the government to speed up the substitution of the imports of “critical and top priority products and technologies in automotive industry”, according to Kremlin website.

The Cabinet has been instructed to formulate and confirm a strategy on the development of automotive industry and component production for the period until the year 2025, aimed at ensuring the substitution of the imports of the aforementioned products and technologies. The requirements of the state and the municipal authorities in providing passenger and freight services will be identified separately;

- Priority areas in the scientific and technological development of Russian automotive industry and formulation of a perspective for automotive technology, taking the transition in global trends towards the serial production of electric cars into consideration;
- Support mechanisms for the development of automotive industry, aimed at increasing the export volumes and the share of automotive technology purchases from state owned Russian-origin companies and natural monopolies;
- Mechanisms for the development of component production / localisation of the production of automotive technologies in Russia;
- Mutual coordination of the development of automotive industry and component production, by improving relevant industries, such as metallurgy, chemical and electrical facilities.

In addition, the government was instructed to include measures to “Automotive Industry”, which is a subroutine of the government programme “The Development of Industry and Improving its Competitiveness”, for the implementation of the formulated strategy, taking the current economic trends into consideration, with mechanisms to calculate the localisation rates for automotive technologies and components and their assignment to products of Russian origin, using aggregated components where necessary.

The government has also been instructed to update the organisations which represent the automotive industry with data on the localisation levels of their production and provide assistance in the conclusion of long-term contracts between car assembly plants and Russian component manufacturers over the entire process of the technological chain of production, in order to increase the competitiveness of Russian components, their parts and raw materials.

Another instruction proposes the preparation of a regulatory legal framework as to the gradual renewal of the automobile park.

Finally, the government was instructed to submit a proposal on measures of support to be given to automotive industry organisations, depending on rates of localisation in production, besides registration to Russian Federation laws in parallel with the scientific and technological activities conducted. The order appointed by the prime minister of Russian Federation Dmitri Medvedev is due for execution until 1 March 2016.

The new commercial vehicle market has shrunk in 2015

19.01.2016 / Autostat

According to Autostat data, 51,200 new trucks have been sold in Russia in 2015, which is equivalent to a 41.9% year-on-year decline. KAMAZ has become the market leader achieving 34% market share, with 17,500 vehicles (-33.3%). Another Russian brand GAZ occupies the second spot (7100 vehicles, -23.7%). The top three is completed by Belarusian MAZ (3600, -53.6%). Russian Ural (2600, -35.5%) and Swedish Scania (2500, -55.1%) have made it into top five. Japanese Isuzu (+1.8%) and Russian SAZ (+11.2%) are the only brands with positive dynamics, amongst the top-ten. The LCV market has shrunk by 34.3% year-on-year in Russia in 2015, with 92,400 vehicles.

More than 60% of the LCV market belongs to domestic brands, GAZ and UAZ. GAZ has become the undisputable leader of the year with 38,400 vehicles (-32%). UAZ has sold 20,300 vehicles, which indicates a 3.7% year-on-year increase. It should be noted that the manufacturer from Ural is the only brand which showed positive dynamics in the top-ten. German Mercedes, the best-sold foreign LCV brand, has occupied the third spot (8900 vehicles, -14.5%). The fourth placed LADA has sold 5500 vehicles, together with VIS (VAZ based vehicles) (-55.4%). American Ford came fifth in the rankings (4300, -51.3%).

Mitsubishi discontinues the assembly of Pajero Sport in Russia

15.01.2016 / Autostat

Mitsubishi will stop the production of Pajero Sport SUV at its Kaluga plant as of 2016. The relevant statement has been made to Izvestiya newspaper, by the Head of Mitsubishi in Russia Naoya Takai: "This year we will introduce the new generation of Pajero Sport to the Russian market. However, instead of being manufactured in Kaluga as before, the model will be delivered from our Thailand plant. The model is entirely new, from a technical point of view. At the first stage, we are planning to test the consumer interest towards the model in different markets. Depending on the results, we would consider resuming the production in Kaluga."

Takai has added that for 2016 Mitsubishi aims to maintain the previous production figures for the only remaining model manufactured by PSMA Rus (a joint venture of the French group PSMA Peugeot Citroen and Mitsubishi) at the Kaluga plant: Outlander. "We are hoping for a repeat of last year's performance, during which we manufactured around 19,000 Outlander crossovers and 4000 Pajero Sport SUV." said Takai.

According to AEB data, Mitsubishi has sold 35,900 automobiles in Russia in 2015 (-55%). Outlander has become the best-sold model of the company, with 16,294 vehicles (-53%).

Russian automobile market has shrunk by 35.7% in 2015

15.01.2016 / AEB Russia

In December 2015, sales of new cars and light commercial vehicles in Russia decreased by 45.7% compared with December 2014 or by 123 682 sold units, and amounted to 146 963 cars, according to the AEB Automobile Manufacturers Committee (AEB AMC).

In 2015 new car and LCV sales declined by 35.7% or 890 187 units in comparison with the same period of the previous year. This year 1 601 126 cars have been sold.

Joerg Schreiber, Chairman of the AEB Automobile Manufacturers Committee commented: «December sales of 147 thousand units represent the best monthly result achieved in 2015, at the same staying far below prior year's all-time record of 270 thousand units. With this, annual sales of PC and LCV in 2015 reached 1,60 million units, 890 thousand units or 35.7% below 2014 level of 2,49 million units. Expectations for the new year are muted. AEB member forecast for the total market in 2016 is to reach 1,53 million units, assuming no major change in government support to the automotive sector. Under this condition, it appears possible to limit further volume erosion to a level of under 5% year-on-year. This would be some progress in view of the dramatic losses in the recent past, bearing in mind however that it remains uncertain when the market will stabilize and return to much needed growth».

Daimler still plans Mercedes plant in Russia despite weak market

13.01.2016 / Automotive News Europe

Daimler remains committed to adding a plant in Russia to support the 'remarkable' performance of its Mercedes-Benz brand, CEO Dieter Zetsche said. "Yes, that is something we are pursuing," Zetsche told Automotive News Europe this week at the auto show here. Zetsche said Mercedes has done "extremely well" despite the country's overall sales weakness. "Our market share is remarkable," he said. "But, of course, we can't totally go against the trend."

Mercedes was the top-selling premium automaker in Russia through 11 months with a volume of 38,797 units and a 2.67 percent market share. BMW's share was 1.74 percent while Audi's was 1.60 percent. Mercedes' sales drop was less than the declines at BMW and Audi.

Russian media reported last April that Daimler had narrowed the possible sites for a plant to three locations: St. Petersburg, where Toyota, Hyundai and Nissan have factories; Tatarstan's capital, Kazan; or the central Russian region of Sverdlovsk.

When asked whether he sees Russian sales rebounding in 2016, Zetsche said: "It depends on Russia's overall economic development, which depends on the overall political situation."