

## **The new management of AVTOVAZ targets a 20% market share in 2016**

26.08.2016 / RusAutoNews.Com

The new President of AVTOVAZ Nicolas Maure has presented the targets and plans of the company at the International Moscow Automotive Forum (IMAF) for the first time in public, since he became the head of Avtovaz in April 2016.

The company aims to have more than 20% share of the passenger cars market with its Lada brand until the end of this year. The government's utilisation program facilitates the plans of the company: 130,000 Lada vehicles have been sold through this program this year, which makes up almost 50% of the total sales.

As stated by Maure, the company will complete the management team within this year, take all necessary measures for the financial recovery of the company and accelerate the localisation process. AVTOVAZ will also restore exports to CIS countries and increase the export figures to other countries. The company is also evaluating a CKD operation in Kazakhstan for the Asian markets.

AVTOVAZ has plans to introduce two new models into the market between 2017 and 2019. The company has a market prediction of 2.2 million vehicles for the year 2020.

Prior to Avtovaz, Nicolas Maure was the Managing Director of Renault Group in Romania and the CEO of Dacia SA (Romania).

## **KAMAZ will become a partner in the construction of the Mercedes-Benz plant in Russia**

26.08.2016 / RBK

KAMAZ will be a partner in the construction of a Mercedes-Benz car factory in Russia. The relevant statement has been made by the general director of Mercedes-Benz Rus: Yan Madeo to Vedomosti. "We need partners who signed the industrial assembly agreement and KAMAZ fulfils that requirement" - explained Madeo. The parity joint venture of KAMAZ and Daimler: Daimler KAMAZ Rus is a multilateral agreement on industrial assembly, which enables the company to receive tariff rates on preferential terms in component imports - 0.5% instead of 15%. KAMAZ representative has confirmed the news that the company will become a partner through industrial assembly agreement and no investment is expected from KAMAZ.

The source of RBK, who previously mentioned the name of KAMAZ as the possible partner of Mercedes in the construction of the plant, had also highlighted the existence of the industrial assembly agreement. In which capacity, the Russian company will be involved in the project, the source has not told. The KAMAZ representative has declined the questions from RBK.

German automotive group Daimler's plans to build a plant for the production of Mercedes-Benz automobiles in Moscow Region came to light in the beginning of June. As reported by RNS agency, the plant is planned to be build in Peshkovsky village in Solnechnogorsk district, within the borders of the Esipovo Industrial Park, under construction in the area.

## **Avtotor is getting ready for the production of new BMW models**

25.08.2016 / Autostat

Avtotor factory, established in Kaliningrad, is in the process of preparations to start the production of a range of BMW models. The relevant statement has been made by the general director of Avtotor Holding: Alexander Sorokin, during an interview with the analytical agency Autostat. BMW 3 and 5 series sedans and crossovers from X3, X4, X5 and X6 lines are currently manufactured at Avtotor, with SKD4 method.

Avtotor has no capacity expansion plans according to Sorokin, on the other hand. The main task is to concentrate on the deepening of the localisation of production. As to the projects with BMW, as told by Sorokin, the time is slipping. As one may remember, different projects of Avtotor were on the cards with BMW a few years ago, from the expansion of production at the factory to the establishment of a joint venture.

Avtotor manufactures KIA and Hyundai automobiles (passenger and commercial) and Tata Daewoo trucks at the moment, alongside BMW. As published by Autostat previously, more than 42,000 automobiles have been manufactured at the Kaliningrad plant within the first half of 2016, which indicates a 4% year-on-year decline.

## **Renault has started exporting its Russian production automobiles to Kyrgyzstan**

24.08.2016 / Autostat

Renault Russia has started automobile supplies to Kyrgyzstan, thereby expanding its export markets within the CIS countries. The first shipment of the exported Renault automobiles has been carried out to the country, within the framework of Kyrgyzstan's admittance to full membership of the Eurasian Economic Union (EAEC) in August, as reported by the press office of Renault Russia.

It should be noted that the CIS exports of Renault Russia has been improving in a steady course since 2010. Renault currently exports 12% of its total Russian production.

At the moment, Renault Russia exports the whole range of its Russian production models: Logan, Sandero, Sandero Stepway, Duster and the new global model Kaptur. The deliveries of Renault Kaptur to Belarus and Kazakhstan has started in the beginning of August 2016, as published by Autostat earlier. The company plans to expand the geography of its export markets to Armenia and Azerbaijan in the near future.

## **AVTOVAZ has presented its conceptual crossover XCODE Concept**

24.08.2016 / Autostat

AVTOVAZ has presented 6 new concepts and new modifications of LADA Vesta, within the frame of the Moscow Motor Show. Overall, LADA has established the biggest stand in the history of the brand - 2000 m<sup>2</sup>, with the largest number of exhibits - 19. The potential way of development for the model range of LADA has been displayed in the exhibition, new versions of the popular automobile series, as well as the current serial and sports modifications, as stated by the press office of AVTOVAZ.

The premiere of the conceptual LADA XCODE Concept was the main event - the vehicle, which demonstrates the possible development of LADA model range and the new design concept, which is based on X-style. XCODE Concept has been made within the frame of the DNA design, which has already been implemented on Vesta and XRAY series.

The concept of the automobile provides a number of potential solutions, including the use of turbo engine and all-wheel drive transmission, as well as the LADA Connect telematic platform, which allows the control of the systems of the vehicle via smartphone and the usage of cloud services from the automobile in the future.

## **There are 285 automobiles per 1000 people in Russia**

23.08.2016 / Autostat

According to the analytical agency Autostat, the average number of passenger cars available per 1000 Russian residents amounts to 285, as of 1 July 2016. The number of cars per head is higher in 36 regions of Russia (out of 83) than the national average.

Kamchatka (472 vehicles) and Primorye (437) are the regions with most vehicles per head. The import of Japanese second-hand automobiles through Vladivostok is one of the reasons behind such high levels in these regions. Moscow Region comes third in the list (347).

Kaliningrad (344) and Kaluga (342) completes the top-five. The rest of the top-ten is as follows: Karelia (341), Pskov Region (336), Khanty-Mansi Autonomous Region - Yugra (327), Ryazan (324) and Murmansk regions (321).

It should be noted that Moscow is ranked 22nd (308) and St. Petersburg eleventh (316) in the list.

## **The Russian plant of Hyundai starts exports to Georgia and Tunisia**

23.08.2016 / Autostat

Hyundai St. Petersburg plant will expand its geography of exports with the start of automobile deliveries to new markets, such as: Georgia and Tunisia, as of the end of August. Hyundai Solaris will be exported to Tunisia and Hyundai Accent and Hyundai Creta to Georgia, as stated by the press office of Hyundai Motor CIS.

Hyundai Motor Manufacturing Rus factory has started the serial production of the new compact crossover in August and the exports of Hyundai Creta to CIS countries: Kazakhstan, Belarus, Ukraine and Georgia will begin as early as the end of the month.

Hyundai Creta will also be exported to the Middle East, however, the vehicles have to go through adaptation and certification processes first. The Hyundai Solaris vehicles, sent to Egypt, Lebanon and Tunisia, were specially adapted to the hot climates of these countries. The automobiles have been equipped with special air-conditioning systems, ventilations and batteries.

The Russian plant of Hyundai has been exporting automobiles to the CIS countries since May 2011 and to the Middle East since August 2015. The company currently supplies automobiles to the markets of Kazakhstan, Belarus, Ukraine, Azerbaijan, Moldova, Armenia, Kyrgyzstan, Egypt and Lebanon.

## **The production of Toyota RAV4 crossovers has started in Russia**

22.08.2016 / Zr.ru

The production of the Toyota RAV4 model has started in the St. Petersburg plant of Toyota on 22 August 2016.

Camry had been the only model manufactured in the factory, prior to RAV4. The company is in the recruitment process of new employees. A total number of 800 new employment positions are planned to be created within the forthcoming months, due to the gradual increase in production volumes.

The annual capacity of the factory has been doubled to 100 thousand vehicles, in connection with the production of the new models.

The Japanese company underlines the fact that Russia is one of the priority automobile markets for Toyota, the launch of new models being a good proof of this view.

## **The government has proposed measures to stimulate the demand for domestic automobiles**

23.08.2016 / [Autonews.ru](http://Autonews.ru)

The prime minister Dmitry Medvedev has signed a decree on the introduction of a draft law prepared by the Ministry of Finance to the State Duma, containing amendments to the Tax Code, which, in government's opinion, should lead to a demand increase for domestic vehicles. The corresponding order has been published on the government website: mos.ru on Tuesday.

As proposed by the project, the taxpayers will be exempt from business property taxes for transport vehicles as of 1 January 2017, in accordance with the Russian legislations on public registration.

The rules will apply to vehicles manufactured after 1 January 2013, taken into account as a result of reorganisation or liquidation of legal entities, as well as the transfers, including the acquisition of assets between persons, recognised interdependently in accordance with the provisions of paragraph 2 of the Tax Code 1051.

The document has been approved by the government, at a meeting on 18 August. During the meeting, Medvedev has stated that the proposed measures will encourage the enterprises and organisations to utilise their car fleets, creating extra demand for home produced automobiles.

“The main condition of eligibility for the aforementioned benefits is that the automobiles or any other form transport vehicles must be manufactured after 1 January 2013. We expect these measures to encourage the enterprises and organisations to utilise their car fleets, creating extra demand for home produced automobiles” - said the prime minister.

## **The Russian automobile park has amounted to 49.11 million vehicles, as of 1 July 2016.**

20.08.2016 / [RusAutoNews.Com](http://RusAutoNews.Com)

Approximately 84% of the park is formed of passenger cars, which is equivalent to 41.08 million units. 8% of the total figure belongs to light commercial vehicles or 3.5 million units in quantitative terms. The number of trucks is a little bit under LCVs (3.69 million), making 7.5% of the park. Around 1% of the Russian automobile park consists of buses, amounting to 0.39 million units.

## **FAW is organising truck assembly in Russia**

17.08.2016 / Kommersant

Chinese car manufacturer FAW (First Automotive Works) plans to start truck assembly with Sumotori Group (95% share held by the general director Vitaly Verkeenko, according to SPARK) in Primorye in September, as stated by the regional administration on Wednesday. Mr. Verkeenko has said that the joint venture with FAW was established in June and it's planned to assemble the vehicles under the licence of the manufacturer factory on the basis of a joint venture in Artem. "The first vehicles will have arrived in Vladivostok in September and the trucks will be supplied with separate chassis and superstructures at the beginning of next year, according to plans" - added Vitaly Verkeenko.

FAW operates in the Russian market in both commercial and light vehicle segments, however, with a negligible share. The company has sold 213 trucks and approximately 100 passenger cars in 2015, according to Autostat data. The sales of FAW automobiles amounted to 2200 units, only a short while ago, in 2014, as published by the Association of European Businesses (55% shrinkage). The Chinese company had announced its sales target as 260 trucks and 800 automobiles until the end of the year, in March. 107 passenger cars have been sold within the first quarter, according to the data of the importer company FAW - Eastern Europe (truck figures not given). Sumotori Holding is specialised in the sales of trucks and construction equipment, components and maintenance.

The head of Sumotori has also revealed plans to localise the production and to construct a new plant in the future. While the truck sales will be mainly concentrated in the Far East for the moment, it's expected to get into the Russian market as a whole after a certain level of localisation is achieved, he continued. The chief executive officer of FAW on imports and exports: Wang Zhijian has drawn attention to the fact that Russia is a reliable strategic market and the company has the intention to do everything within its power to turn the project into success (as quoted by the regional administration).

## **Russia has exported 33,400 automobiles within the first six months**

08.08.2016 / Autonews.ru

33,400 cars have been exported from Russia within the first six months of the year. The figure is equivalent to a 31.7% year-on-year decline. The exports have generated a total amount of \$504.2 million. The relevant statement has been made by Autostat analytical agency, citing from the Russian Federal Customs House (FTS).

The truck exports, on the other hand, have shrunk by 31%. The monetary value of the 5800 trucks exported during the first half of the year is equivalent to \$145.2 million.

## More than 700 thousand vehicles have been produced in Russia during the first seven months

16.08.2016 / [Rusautonews.com](http://Rusautonews.com)

611,000 automobiles have rolled off Russian production lines within the first seven months of 2016, according to Rosstat data, which indicates an 18.1% decline. The July production figure is 74,000 units, on the other hand, down by 19.8% in comparison with the same period of the previous year.

Truck production amounted to 70,400 units within the January-July period, which is equivalent to a 6.2% year-on-year rise. 11,700 trucks have been manufactured in Russia during the last month, indicating a 16.9% increase compared to last year.

Bus production has shrunk in Russia by the end of the first seven months of 2016, by 0.8% to 19,100 units. Bus factories have manufactured around 3500 vehicles in July, on the other hand (-0.2%).

According to the current forecast of ASM-Holding, a total number of 1.1 million passenger cars will be manufactured in 2016, which is equivalent to an 8.3% year-on-year decline.

The government plans to stimulate the demand in the market through various programmes. 22.5 billion rubles have been allocated for the renewal of the park, which is the main programme. According to specialists, government support is likely to be necessary in 2017 as well and will be required further beyond, until a steady growth is achieved in production and sales at least.

## Russian truck market has grown by 8% in July

15.08.2016 / [Autostat](http://Autostat)

Russian truck market has amounted to 4700 vehicles in July 2016, according to Autostat data, which is equivalent to a 7.9% year-on-year increase. Thereby, the market grew in four consecutive months.

Russian manufacturer KAMAZ has kept the leadership of the truck market, with a little bit under 40% share of the total volume in July. The figure is equivalent to 1800 units in quantitative terms - a third over last year. Another home brand GAZ occupies the second place, with 707 vehicles (-4.8%). The top-three is completed by Belarusian MAZ (314, +18.5%). German Mercedes-Benz (223, +18%) and Swedish Scania (212, +7.6%) came fourth and fifth respectively.

It should be noted that 26,600 trucks have been sold in Russia within the first seven months of 2016, which indicates a 6.8% year-on-year shrinkage.

## Car production has fallen by 19.8% in Russia in July

16.08.2016 / Vedomosti

Passenger car production has shrunk by 19.8% year-on-year in Russia, according to the Rosstat report published online on Monday (the production figure has not been revealed). The production has declined by 18.1% by the end of the first seven months of the year. The shrinkage has gained momentum in comparison with June (5.3%), creating a contrast with the 4.1% rise in May.

The representative of Ford Sollers joint venture has noted that the car manufacturers in Russia adapt to the current demand, which has been on serious decline month after month. The sales of cars and light commercial vehicles have fallen by 16.6% in July and by 12.5% the month before, as reflected by AEB data. An employee from one of the car factories has added that work stoppages and days of traditional corporate holidays were fewer in number last July of fell more in August in 2015.

Most of the passenger cars sold are locally produced. Their share exceeded 80% during the first half of the year, according to ASM-Holding data. The shrinkage will continue in August and may even intensify, since the dealers traditionally place the orders to the car factories with a time lag of two months, comments the executive director of Autostat: Sergei Udalov. "The market will continue to fall, most likely as if never to recover again" says an employee from a car manufacturer.

The Russian passenger car market may hit the bottom in October or November according to Udalov: the low-base effect, pent-up demand and seasonal business activity will take their toll, explains Udalov. "The production plans have already been adapted to the crisis sales levels, however, a gradual rise in optimism is on the cards, on the background of an expectation of a slowdown in the shrinkage rate in sales during the second half of the year and the eventual positive effect of pent-up demand" - says the partner and managing director of BCG: Konstantin Polunin.

According to the current forecast of ASM-Holding, a total number of 1.1 million passenger cars will be manufactured in 2016, which is equivalent to an 8.3% year-on-year decline. The forecast is in parallel with the prediction of Polunin.

The government will stimulate the demand in the market through various programmes. 22.5 billion rubles have been allocated for the renewal of the park, which is the main programme. The shrinkage would be even sharper in the absence of such programmes, as told by Udalov. According to Udalov, government support is likely to be necessary in 2017 as well (a possibility mentioned by the minister of industry and commerce: Denis Manturov previously) and will be required further beyond, until a steady growth is achieved in production and sales at least. AVTOVAZ representative agrees with Manturov: "We would welcome an extension to government support on demand for the next 1-2 years. This may stabilise the market and speed up the market recovery in future". A very moderate growth may begin in the Russian market in 2017, in the representative's opinion.



## The Russian automobile park amounts to 41.1 million vehicles

16.08.2016 / Zr.ru

There are 41.1 million passenger cars in Russia as of 1 July 2016, as stated by Autostat. The Russian car park is quite old, with an average age of 12.2 years and 31% of automobiles being over 15 years old. More than half of the park is formed of foreign brand vehicles - 59%. Every fifth automobile in Russia falls into SUV category and only 40% of the park complies with Euro-4 and above ecological standards. Diesel engine automobiles make up only 4.5% of the park.

There are nine regions with over 1 million automobiles. Moscow is the leader amongst the regions with 3,799,967 vehicles, followed by Moscow Region: 2,536,037 units. The rest of the rankings is as follows: Krasnodar Krai - 1,675,650, St. Petersburg - 1,651,262, Rostov Region - 1,235,999, Sverdlovsk Region - 1,217,183, Tatarstan - 1,188,159, Bashkortostan - 1,129,300 and Chelyabinsk Region - 1,017,501.

The following brands have million-strong fleets in the country: LADA - 13,844,152 units, Toyota - 3,566,060, Nissan - 1,900,590, Hyundai - 1,618,506, Chevrolet - 1,575,740, Renault - 1,455,804, KIA - 1,405,843, Volkswagen - 1,379,704, Ford - 1,275,528, Mitsubishi - 1,122,934 and GAZ - 1,019,290.

## AVTOVAZ sales have increased by 4% in July

08.08.2016 / Autostat

AVTOVAZ has sold 21,754 automobiles in Russia in July, which is equivalent to a 3.9% year-on-year increase. Thereby, the sales of LADA automobiles have risen for the second time this year (April +7.8%). While the Russian market shrank by 16.6% last month, the share of LADA reached 19.9%, up from last year's 16%, according to AEB data. The Russian dealers of LADA have sold 147,107 vehicles within the first seven months of 2016, which indicates a 9.6% year-on-year shrinkage.

LADA Granta has become the bestselling model of AVTOVAZ in July, with a sales figure of 6334 vehicles (-30.4%). LADA Vesta sedan occupies the second place with 5198 units. LADA Largus has maintained its leadership amongst estate wagon models, with 2154 vehicles (-7.3%). 2035 LADA 4x4 have been sold, following a 6.5% year-on-year decline. LADA Kalina sales fell by 33.8%, to 1885 units. The sales figure of the new high hatchback LADA XRAY, which was put on the market in February, has reached 1772 units in July. The demand for LADA Priora sedan fell by 60.6%, to 1398 vehicles.

## A slowdown is expected in the shrinkage rate of the automobile market

15.08.2016 / Kommersant

The sales dynamics of passenger cars may improve significantly within the course of the remaining five months of the year, due to favourable macro-economic factors, as stated by experts from Sberbank. According to their prediction, the market shrinkage will be around 6% in 2016, down from the 2015 rate of 44.9%. The experts say that the actual wages have increased by 1.4% in June and the 2015 levels have been maintained during the first half of the year. In addition, Sberbank expects a slowdown in annual inflation to almost 6% during the second half of the year, which should stimulate the growth of actual wages and contribute to an increase in retail sales, according to a research. Stability in the ruble and a long-awaited reduction in the key interest rates by the Central Bank before the end of the year, making car loans more accessible, may provide further support.

The experts have also found intra-sectoral causes, triggering the increase demand. They expect the sales of Sollers to exceed the market average, due to the upgrade made in UAZ Patriot in October and the discounts made in the price of the 2015 model of the vehicle. The imports of Ssangyong will resume in November and Ford will launch a new range, formed of seven localised models from different segments of the market, as told by Sberbank. The registration figures of all Sollers brands (UAZ, SsangYong, Ford and Mazda 6 and Cx-5) were in market levels in July, falling by 15%, however, the experts explain the shrinkage in the LCV segment with the high-base effect, due to UAZ deliveries by Russian Post last July. According to AEB data, car and LCV sales have fallen by 16.6% in July, to 109,400 vehicles, the sales of UAZ shrinking sharply in particular, by 36% to 3300 units, Ford by 7% to 3300, SsangYong by 97% to 19 and Mazda by 18% to 1800 vehicles.

The prediction of Sberbank is optimistic even by government standards, traditionally conducted by positive minded market experts. The minister of industry and commerce: Denis Manturov has predicted a 10% shrinkage in sales for the year (1.44 million vehicles), in July. The ministry doesn't expect a market recovery before 2017. The optimism of Sberbank is not shared throughout the market in general, however, most experts make their calculations in accordance with the shipments of cars to dealers. The analysts of the investment bank base their calculations on registrations, which is the institutionalised method of evaluating car markets in developed countries. These data exclude the grey exports, especially to Kazakhstan and Belarus last year, therefore, can not be distorted as a result of creative approaches by dealers to sales figures.

EY believes that the expectations of Sberbank may prove to be more realistic, taking into account a lower-base registration statistics effect. The decline in shipment terms was lower in 2015, by 36% to 1.6 million vehicles. Meanwhile, EY predicts a shrinkage between 13-17% in car sales (base forecast - 16%).



## Russian LCV market has declined by 9.8% in July

15.08.2016 / Autostat

The Russian LCV market has amounted to 7500 units in July 2016, declining by 9.8% in comparison with the same period of the previous year. The shrinkage in the market continued to a third consecutive year.

Russian manufacturer GAZ has remained the leader of the LCV market, with half of the market volume in July. GAZ has sold 3800 vehicles, bettering last year's performance by 7.8%. Another domestic brand UAZ came second, with a July figure of 1300 units (-34%). Yet another home brand LADA completed the top-three (611, -0.7%). German Mercedes-Benz (539, -31.6%) and American Ford (316, +27.4%) have also made it into the top-five.

47,600 light commercial vehicles have been sold in Russia within the first seven months of 2016, which is equivalent to an 8% year-on-year shrinkage.

## The sales of secondhand vehicles have risen by 1.2% in July

12.08.2016 / Autonews.ru

458,000 second-hand vehicles have been sold in Russia in July 2016, as stated by the analytical agency Autostat. The figure indicates a 1.2% year-on-year increase. The used cars market has amounted to approximately 2.92 million units in Russia within the first seven months of 2016, following a 9.3% growth.

LADA was the most popular brand in the second-hand car market in July, with a total sales figure of 125,300 vehicles (+9.8%). Having the most number of vehicles in the country and accordingly the most affordable prices, especially in aged automobiles, making it possible for people to buy the first cars in their life, are the reasons behind the leadership of LADA in the used cars market, as reported by the analytical agency.

The second place is occupied by Toyota. 52,600 Toyota were sold in Russia in July, following a 5.7% year-on-year rise. Nissan completes the top-three. 24,600 used Nissan vehicles were sold in Russia last month (+5.9%).

## Isuzu plans to double truck production in Russia

12.08.2016 / Vedomosti

Isuzu wants to double its truck production in Russia, told the general director of Isuzu Rus: Fabrice Gorlier: “We expect to double our current annual truck production figure of 2500 units within the next 1.5-2 years” (as quoted by TASS).

Isuzu currently manufactures 5-18 tonnes gross weight trucks at UAZ premises. The trucks are sold in Russia, Belarus and Kazakhstan, to be followed by Azerbaijan in 2017 and the share of exports has reached 5%, as told by an Isuzu representative to Vedomosti. The 30% localisation rate of trucks goes even higher in vehicles with optional equipments. The company intends to increase localisation in future.

The model range will expand at the end of 2016, with the addition of heavy trucks. “It’s an important new segment and a large market” - said Gorlier. The assembly of Isuzu D-Max trucks will also be localised, which are currently being imported. “Depending on the success of the output (in the market), we will go ahead with production” - said the representative to Vedomosti.

892 new Isuzu trucks have been registered in Russia within the first half of 2016, which indicates a 19% year-on-year shrinkage. The brand occupies the fifth place in sales rankings, behind KAMAZ, MAZ, GAZ and Ural.

## 781,605 automobiles have been sold in Russia within the January-July period

08.08.2016 / RusAutoNews.Com

New car and LCV sales have shrunk by 16.6% year-on-year in Russia in July 2016, according to the AEB. 781.605 automobiles have been sold within the first seven months of this year. Nine out of ten bestselling models are locally produced.

The Chairman of the AEB Automobile Manufacturers Committee: Joerg Schreiber commented: “Like it or not but the market as a whole is still nowhere near the shape needed to at least consolidate at last year’s modest level. Despite stable prices, high purchase incentives and continuing government support the basic problem is that there are only so many customers out there able or willing to spend money on a new car right now. Long-term demand however remains high and is in fact building up as purchase decisions are being postponed. It is just a matter of time for this demand to be unlocked; only not so clear is for how much longer we have to wait to see the turnaround”.

Ford has achieved the highest growth rate amongst the top-ten bestselling brands, with 40% (23,984 units in total). Skoda has become the leader of July, on the other hand (4670). Lada, KIA and Hyundai are the three best-sold brands. The detailed July market statistics are available in our website: <http://rusautonews.com/statistics/>

**New sports car and crossover models have been introduced to the Russian market**

08.08.2016 / Autostat

The American manufacturer Chevrolet has announced its return to the Russian market with the new generation of the sports car Camaro. The automobiles will be available in official Chevrolet dealers this summer.

Russian dealers of Nissan have started taking advance orders for 2017 model GT-R sports cars, the production of which started in September 2016. In addition, the starting price of the new generation of the flagship crossover Nissan Murano have also been announced, as 2.46 million rubles.

Hyundai Motor CIS has announced the price of the new crossover Hyundai Creta. The maximum recommended price of the basic version of the model is 749,900 rubles. Audi Russia has announced the specifications and the prices for the updated Audi A6 sedan, Audi A6 estate and the restyled A3 cabriolet. DFM A30 sedan has been presented during the meeting of Dongfeng Owners Club in Moscow at the end of July. The Russian office of Dongfeng has stated that the sedan will be available in dealers in the near future.

Three Renault models have left the Russian market in July. The sales of Koleos crossover, Megane hatchback and Kangoo model have been discontinued.

**GAZ has made 350.5 million rubles profit according to Russian Accounting Standards (RAS) within the first half of the year, in contrast with last year's loss**

03.08.2016 / 1prime.ru

The net profit of PJSC GAZ (GAZ Group affiliate) has gone up by 0.48% by the end of the first half of 2016, to 350.464 million rubles, as opposed to last year's loss of 1.523 billion rubles, as stated by the company.

The revenue of the company has increased by 40.65% during the aforementioned period, to 9.024 billion rubles, the cost of sales by 31.96% to 7.996 rubles, the gross profit by 2.9 times, to 1.028 billion rubles. The profit on sales has reached 95.743 million rubles by the end of the six months period, against last year's loss of 685.527 million rubles.

The trade liabilities of the company amounted to 2.869 billion rubles as of 30 June 2016, up from 2.285 billion rubles at the end of 2015. PSJC GAZ manufactures auto components and is the main legal entity of GAZ Group. The company has made a net profit of 66.6 million rubles according to RAS in 2015, which is equivalent to an 11% year-on-year increase.

## Russia has imported 110,000 vehicles within the first half of the year

05.08.2016 / Autonews.ru

Car imports to Russia have declined by 28.5% year-on-year, within the January-June period (to 110,500 units). The relevant statement has been made by the analytical agency Autostat.

Toyota has become the most popular imported brand for the aforementioned period with 31,700 vehicles, which is equivalent to a 16.4% year-on-year decline. Approximately 29% of all imported automobiles belong to Japanese brands. Mercedes-Benz occupies the second place (16,600, -19.9%).

Lexus completes the top-three. 10,700 Lexus have been imported to Russia within the first six months of 2016, which indicates a 17.4% year-on-year shrinkage. Audi (10,400, -0.5%) and Hyundai (8300, -51.5%) follow the top-three. The rest of the top-ten is as follows: BMW (5000, +88.9%), which is the only brand with an increased import figure, Land Rover (3800, -44.8%), Volvo (3100, -21.5%), Subaru (2400, -25.2%) and Suzuki (2300, -1.6%).

Toyota RAV4 has become the most imported model in the Russian market, with 15,800 units (-11.2%). Hyundai Tucson was the second most popular imported crossover (5400). The top-three of imported 4x4 vehicles has been completed by Toyota Land Cruiser Prado, with 5300 units (+354.6%).

Toyota Land Cruiser (4700, -35.5%) and Lexus RX (3700, +40.7%) come fourth and fifth respectively. The rest of the list is as follows: Mercedes-Benz GLE-Class (3300), Lexus NX (3200; -48,9%), Audi Q7 (2900; +255,6%), Lexus LX (2600; +62,3%) и Mercedes-Benz E-Class (2500; -29,2%).

## Avtotor has started the serial production of Hyundai HD35 trucks

04.08.2016 / TASS

Kaliningrad Avtotor factory has started the serial production of Hyundai HD35 light commercial trucks, as told by the Head of Public Relations and Media Department of Avtotor Holding to TASS. The production of Hyundai HD78 and HD120 truck models continue at the facility.

The cooperation between Avtotor and the South Korean manufacturer Hyundai started in 2011, with the pilot production of HD-series trucks. Avtotor started the mass production of Hyundai trucks in September 2012. The current commercial vehicle range includes: HD65, HD78, HD120 and HD170. Avtotor has manufactured more than 5000 Hyundai trucks in total, since the start of the project.

**AVTOVAZ intends to reduce the costs of materials and supplies within the next two years**

05.08.2016 / Vedomosti

AVTOVAZ plans to cut the purchasing costs of materials and supplies by 7% in 2016 and by 13% in 2017, as told by the senior managers of two contractor companies of AVTOVAZ to Vedomosti. The company has revealed the relevant plans during a recent suppliers conference, added the managers.

The losses of AVTOVAZ reached a record level of almost 74 billion rubles in 2015, due to the market shrinkage and the devaluation to the ruble, according to International Financial Reporting Standards (IFRS). The revenues fell by 8% to 176.5 billion rubles and the cost of sales by 1.6% only, to 182.3 billion rubles. The proportion of the costs of materials and supplies has not been specified in the total expenditure of the company, they were included in basic costs instead. According to AVTOVAZ report for the second quarter of 2016, the share of raw materials, components and semi-finished products in the production costs of LADA automobiles (AVTOVAZ also makes contract manufacturing for Renault-Nissan alliance) amounted to 72.6% during the first half of the year in Russian Accounting Standards (RAS) terms, down from previous year's 76.2%.

Localisation increase is one of the tasks set for Moore by the shareholders. He spoke about the subject during an interview with Vedomosti in June: "The results of 2015 show that the production costs do not follow the right trend according to IFRS. We have to make more purchases in rubles, in order to go back on the right track. This means increasing the localisation, not only with the first level suppliers, but also with the subsequent ones." According to Moore, a three-year programme has been formulated, in which "each car and each product group has a road map for suppliers of both first and subsequent levels".

The course is right, however, it's unlikely for AVTOVAZ to reduce component costs by 20% in two years, think the sources of Vedomosti. Localisation requires time and serious investment and the suppliers will not cut their prices by 7-13%, since the profitability of their businesses is not so high, only 3-5%, explain the sources. The targets of AVTOVAZ are set in accordance with necessities, rather than possibilities, as noted by one of the sources.

Alongside localisation, the recovery of the ruble, long-term contracts with suppliers with the obligation of gradual price cuts (the reductions are at the rate of 2-3% annually, as told by a supplier) and an increase in the production of new models - Lada Vesta and Xray - may be the factors that would help AVTOVAZ, says a VTB Kapital analyst. However, it seems unlikely to keep up with the planned pace in the reduction of costs, he added.

The senior manager of a large dealer company of AVTOVAZ is against price cuts in the budget models of Lada for the moment, due to the absence of rivals in the Russian market. The prices of Lada Granta sedan start from 383,900 rubles. For comparison: the prices of Datsun on-DO (manufactured in AVTOVAZ on a contract scheme), designed on the platform of Granta sedan start from 436,000 rubles (2016 model) and Ravon Nexia sedan (manufactured in Uzbekistan) from 379,000 rubles.

## **A quarter of automobiles sold in Moscow belong to the premium segment**

02.08.2016 / Autostat

The analytical agency Autostat has conducted a survey on the new automobiles market of Moscow for the first half of 2016, which covers the premium segment.

According to the results of the survey, 24,000 premium segment automobiles have been sold in the capital within the aforementioned period, which is equivalent to a 5% year-on-year decline. Given the fact that the automobile market of Moscow amounted to 100,000 vehicles for the six months period, every fourth automobile sold in the capital belongs to the premium segment.

Mercedes-Benz has become the leader of the premium brands in Moscow, with a sales figure of 6519 vehicles within the January - June period, following a 7% decline. Another German brand BMW occupies the second place, sales of which increased by 1%, to 5067 automobiles. Yet another German manufacturer Audi completes the top-three (4155 units, -2.5%).

The fourth and fifth spots belong to Lexus (2551, +24%) and Land Rover (1242, -33%) respectively. The rest of the top-ten best-sold premium brand vehicles during the first half of 2016 are as follows: Volvo (1196, -11.5%), Porsche (1003, -15%), Infiniti (931, -27.5%), MINI (355, -12%) and Cadillac (314, +61%).

## **The Russian plant of Hyundai has started the serial production of Creta crossover**

01.08.2016 / Autostat

Hyundai Russia plant has started the mass production of the new compact crossover: Hyundai Creta today. The vehicles will appear at the official dealer centres of the company as soon as possible. Hyundai Creta is the second model of the brand to be manufactured at the Russian plant: Hyundai Motor Manufacturing Rus in St. Petersburg. The automobiles will be assembled on the same production line with Solaris model at the factory. The factory plans to manufacture around 20,000 Creta vehicles this year, as stated by the press office of Hyundai Motor CIS.

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