

The revenue of KAMAZ has increased by 27% in 10 months

28.11.2016 / Finmarket

The revenue of KAMAZ has increased by 27% year-on-year within the January-October period of 2016, to 91 billion rubles, as published in the corporate newsletter of the company. The operational profit of the company has amounted to 700 million rubles, on the other hand, almost twice the planned figure, in contrast with the 1.9 billion rubles operational loss during the same period of the previous year.

As stated previously, KAMAZ has increased sales by 22% year-on-year by the end of the first ten months of the year, exceeding 25,000 trucks. The company plans to sell 34,000 trucks within this year (7% over the business plan). KAMAZ has reduced the net loss to 292 million rubles by the end of 10 months, from 4.326 billion rubles last year and plans to make a profit in 2016. The share of KAMAZ in Russian heavy trucks market has reached 58%.

Avtovaz has pledged 3.7 billion rubles worth of vehicles and equipment

28.11.2016 / Interfax

Avtovaz has pledged 3.7 billion worth of vehicles and equipment to Rosbank, according to the Federal Register of Information about the facts of legal entities data.

As reported in October, Avtovaz has pledged the finished vehicles in its parking lot and its equipment in Globexbank, however, the amount of pledge has not been revealed. The company pledged equipments, vehicles, instruments and components amounting to more than 6.167 billion rubles to Vneshekonombank in September and equipment worth 2.655 billion rubles to Unicredit Bank in July. Previously, Avtovaz had also pledged vehicles at the worth of 1.33 billion rubles and equipments, vehicles, instruments and components in the sum of 2.4 billion rubles to Rosbank. The amount of a previous pledge of equipments made by the company to Sberbank has not been disclosed, on the other hand.

As reported, the net loss of Avtovaz has tripled in 2015 to 73.85 billion rubles, according to IFRS. The company has stated a need for assistance from its shareholders, Rostec and the Renault-Nissan alliance as a possible scenario, considering recapitalisation support by making additional funds in the company's share capital and the partial conversion of debt.

The company has launched a financial recovery procedure. The shareholders of Avtovaz have approved the increase of the authorised capital of the company to 3 billion 281 million 250,000 shares, at an extraordinary meeting on 10 October. It was noted that the company has the right to allocate ordinary shares in the amount of 15 billion shares with a par value of 5 rubles each, in addition to allotted shares. The company plans to raise 25 billion rubles, as a result of the additional share issue. As noted by the company previously, Avtovaz needs 85 billion rubles in total, for financial recovery.

Avtovaz develops a new engine for Chevrolet Niva

28.11.2016 / avtosreda.ru

The 1.8 lt engine, which is likely to be prepared for the second generation of the model, has received the in-plant index 2199.

The contract signed between Avtovaz and GM-Avtovaz, concerning the development of the modified 1.8 lt engine for Chevrolet Niva, had already been announced at the end of this summer. According to AvtoSreda, the operations continue on the first stage of the contract at the moment. The possible engine power and other characteristics are not yet known.

Prior to the depreciation of the Russian ruble, the SUV was planned to be equipped with the 1.8 lt, 135 hp Peugeot-Citroen engine. The plans have been changed in due course. There's an 1.8 lt engine in the motor range of Avtovaz currently, with 122 hp output. The engine is used in LADA Vesta and XRAY. Due to the fact that the contract has been signed for the development of a modified 1.8 lt engine specifically, it's possible that the SUV will be equipped with an engine with minimum amount of changes, which will be sold under the US brand.

Renault has started supplying Russian assembly automobiles to Vietnam

23.11.2016 / autonews.ru

Renault has started the exports of Russian assembly cars to Vietnam, within the frame of the free-trade agreement signed between Eurasian Economic Union (EEU) countries and Vietnam. As stated by the press office of the brand, one of the main points of the agreement is the gradual reduction of import duties on automobiles from Russia and the other countries of EEU from 74% to 0% by the year 2025. A party of Renault Duster crossovers, registered under the new rates of customs duties within the frame of the agreement, has been delivered to dealers in Hanoi in November.

“We welcome the start of the agreement of free-trade between the EEU countries and Vietnam, which creates favourable conditions for the supply of Russian cars to the Vietnamese market. Renault Russia is the first company amongst car manufacturers to realise the export project of vehicles from Russia to Vietnam, as well as operating under the conditions of the free-trade agreement between the countries. We are proud to note that the export project of Renault Russia contributes to further development of our domestic industry and the introduction of modern technologies, which will ultimately lead to the growth of our economy. For our part, we fully support any initiatives taken by the Russian government to conclude similar agreements with other countries” - said the General Director of Renault Russia Andrei Pankov.

The joint venture of Daimler KAMAZ Rus has assembled the 10,000th truck

23.11.2016 / Kamaz.ru

The 10,000th Mercedes-Benz automobile has been assembled at the site of the Russian-German joint venture Daimler KAMAZ Rus.

The production of the 10,000th truck is an indicator of the dynamic development of the co-production at the Tatarstan facility and the right choice of partnership - said the Executive Director of KAMAZ Yuri Gerasimov: "Together, we managed to make a world famous brand more affordable for Russian clients".

As one may remember, the German manufacturer Daimler AG became a shareholder of KAMAZ in 2008, which was the beginning of a new mutually beneficial strategic partnership between the two automakers. KAMAZ and Daimler AG signed an agreement on the establishment of the Mercedes-Benz Trucks Vostok joint venture in 2009 (has been renamed as Daimler KAMAZ Rus afterwards), for the purpose of production and sales of Mercedes-Benz trucks.

The assembly of the first truck: Mercedes-Benz Actros 1841 LS was launched in Russia in September 2010. The production line of the joint venture was officially opened in March 2011 in Naberezhnye Chelny. Mercedes-Benz Actros, Axor and Atego models are currently being assembled at the facility, in both standard and individual trim levels, alongside Unimog.

Isuzu will start the production of heavy trucks in Russia

22.11.2016 / RNS

The first test assembly of Isuzu heavy truck prototypes is planned for February 2017 and the serial production for March 2017. The relevant statement has been made to RNS by a representative of Isuzu Rus, highlighting the gross weight range from 26 to 33 tonnes. According to the representative, preliminary requests have already been received for the supply of the vehicles.

In addition, the assembly of all-wheel drive NPR trucks has started at Ulyanovsk plant in September and their volume will also increase, as told by the representative. Previously, Isuzu Rus manufactured medium-weight trucks (5-18 tonnes).

The representative has confirmed the previously announced company plans, as to the doubling of the production volume of the factory to 5000 units annually by 2018, by the expansion the model range. The planned investment amount for the expansion of production is 150 million rubles. As reported by Autostat previously, Japanese Isuzu and Sojitz Corporation have bought out the share of Sollers in the joint venture with Isuzu - Sollers-Isuzu, in December 2015.

Kaluga plant of Volkswagen Group Rus has launched the full-cycle production of the new Tiguan

21.11.2016 / Autostat

Volkswagen Group Rus Kaluga factory has started the full-cycle production of the new Tiguan, which is the first Volkswagen crossover manufactured in Kaluga, built on a modular platform with a transverse engine layout (MQB). The first automobiles will be delivered to Russian dealers during the first quarter of 2017, as stated by Volkswagen Group Rus press office.

Volkswagen Group Rus has expanded its production capacity in Kaluga for the production of the second generation of Tiguan. A new body shop has been built and equipped on 12,000 square meter area. Volkswagen Group has made a total investment of €180 million in the production of the new Tiguan. The investments have already covered the development of the infrastructure of the plant and the construction of a new body shop, as well as the update of the paint and assembly shops. The production capacity increase has created 110 additional jobs. Volkswagen Group has also invested in the development and training of the suppliers of production equipments and automobile components, so that their products meets the high standards of the company.

Production of the new Tiguan includes body welding, painting and the assembly of the vehicle. The local model will be installed with a panoramic roof for the first time at the Kaluga plant of Volkswagen Group Rus. Furthermore, laser technology and innovation systems on the conveyance of the components on the production line will be applied in the manufacturing process of the new Tiguan, such as: the delivery of the underbody to the automated welding station by a conveyance system operating under its own weight.

Currently, the Kaluga plant of VW manufactures VW Tiguan, VW Polo and Skoda Rapid, with a maximum annual production capacity of 225,000 vehicles. 1.6 MPI series petrol engines are also manufactured at the facility, with an annual capacity of 150,000 units.

The share of the sales of foreign cars assembled in Russia amounts to 58%

21.11.2016 / Autostat

According to Autostat data, foreign brand automobiles manufactured in Russia have the largest share of sales figures in the country. Their share reached 58% of the Russian market, as of the first 10 months of 2016, which is equivalent to approximately 615,000 vehicles. The share was as low as 33% in 2010. The share of Russian assembly foreign brand vehicles has gradually increased over the last few years, in contrast with the falling import figures. The imports had the largest share in 2010 with 35%, now down to 20.5% (approximately 220,000 units).

The share of home brands (Lada and UAZ) is a little bit over the imports, with 21.5% of total sales (almost 230,000 units). 32% of the market belonged to Russian brands 6 years ago. As noted by Autostat, many foreign car manufacturers have established production facilities in the country over the recent years, having a negative effects on imports to Russia. The foreign brand vehicles assembled in Russia have been increasing their shares in the market as a result.

The average number of employees has fallen by 15% in AVTOVAZ in a year15.11.2016 / finmarket.ru

The average staff number at AVTOVAZ amounts to 43,224 people as of the end of September 2016, which indicates a 15.2% year-on-year decline, according to the company's quarterly report. The accrued wages fund has shrunk by 14.6% year-on-year by the end of the January-September period to 12.378 billion rubles and the social payments amounted to 591 million rubles, down from last year's 660 million rubles. The average number of workers had also fallen by 15% last year in comparison with 2014, to 50,988 people. The yearly decline in the accrued wages fund was 10.3% to 14.499 billion rubles and the social payments shrank to 660 million rubles from the previous year's 1.412 billion rubles. Previously, the company operated the order of dismissal of employees by mutual agreement. AVTOVAZ has also reduced the number of staff by laying off pensioners and people who violate labour discipline.

As explained by a company representative to Interfax, the reduction in the number of staff is due to natural attrition and employee turnover and the company continues employing specialists as before, whose recruitment is discussed individually. The representative has added that currently a pension co-financing programme is being implemented at AVTOVAZ for the duration of 5 years, in the case of voluntary retirement. As stated by the company press office, as of the beginning of October, there are 2700 employees at preretirement age and 2600 pensioners at AVTOVAZ. The company has shifted to 4-days-a-week working regime as of 17 October, due to the ongoing market shrinkage. The new regime is expected to continue until 19 February 2017.

Daimler factory in Moscow Region has to be established as a full-fledged assembly plant from the outset11.11.2016 / finmarket.ru

11 production lines are planned to operate from the start at the Daimler factory, which may be built in Moscow Region, as stated by the Deputy Prime Minister of the region. "The factory has to commence operations as a full-fledged assembly plant, with 11 production lines. The level of localisation will be extremely high from the beginning" - said the Deputy PM at the briefing. According to the deputy, welding and painting shops will be created at the factory initially, with no expenses spared. The Deputy PM added that it's expected to manufacture up to 25,000 vehicles of four models, according to preliminary data. "The total number of employees at the factory: around 1500 directly employed, going up to about 3500 with subcontractors. The investment volume - set as a minimum amount of €200 million, calculated as approximately €300 million" - said the Deputy PM.

As told by the Minister of Industry and Commerce Denis Manturov to journalists previously, Daimler Group may invest a minimum amount of €300 million in the construction of a premium crossover factory in Moscow Region.

Car production will increase by 7% in 2017, according to the prediction of the Russian Government

16.11.2016 / Vedomosti

The government will stimulate demand through a series of programmes, such as: car fleet utilisation, preferential leasing and car loans, procurement of equipment amongst others. A total amount of almost 60 billion rubles has been allocated for government support programmes this year.

The Ministry of Industry and Commerce has proposed the replacement of the largest programme -car fleet utilisation- with a number of narrowly focused schemes - “First automobile”, “Russian tractor”, “Rural vehicle” etc. However, the final setting of the stimulation measures and their conditions has not been decided yet and the discussions continue, as told by officials from four automakers. Quite possibly, the fleet utilisation programme or its principles (a discount in exchange for handing the old car for utilisation or through the trade-in scheme) will continue one way or the other, said one of the officials. The total amount of government support has not been confirmed. The figure is being discussed on the levels of the current year, however, a lower figure may come up in the end, two of the officials are concerned. “No assignments have been made on the draft budget law yet (2017-2019), however, as I said before, we have stock and there are remains from 2016. As confirmed in recent meetings, funds should be allocated for these purposes” - said the Deputy Prime Minister Arkady Dvorkovich yesterday.

As previously predicted by PwC, car production may increase by 15% in 2017 and sales by 17%. Autostat has also predicted a resumption of growth in the market in 2017. Car production may increase by 6-8% in 2017, taking into account the predicted 5-6% market growth, said the representative of VTB Kapital.

KAMAZ will supply Cuba with more than 2400 units of motor vehicles

16.11.2016 / Kamaz.ru

KAMAZ has signed a contract, concerning the supply of more than 2400 units of motor vehicles to Cuba. The supply of spare parts and service equipments will also take place. The supplies will be made with the participation of the Russian Export Centre, which will provide loans to Cuban customers and insurance of the transactions within the frame of the Russian support programme for exporters.

The first party of the vehicles will have arrived in Havana by the end of November. KAMAZ will send a group of technical specialists by that time, in order to provide support for Cuban enterprises.

The share of KAMAZ in the Russian truck market of over 14 tonnes gross body weight has amounted to 58% (according to registrations) by the end of the January-October 2016 period, indicating a 9% year-on-year rise.

Russian LCV market has grown by almost 4% in October

14.11.2016 / Autostat

According to Autostat data, the new LCV market has amounted to 8800 units in October 2016, following a 3.8% year-on-year increase. Thereby, the market has risen for the first time after five months of shrinkage.

GAZ has become the leader of the LCV market as usual, with more than 45% share in total. The sales figure of the manufacturer is equivalent to approximately 4100 units - 7% more than last year. Another home brand UAZ occupies the second place with over 1600 vehicles (+1.8%). LADA completes the top-three (1100, +64.2%). German Mercedes-Benz (582, -38.2%) and American Ford (500, +61.8%) are the remaining brands in top-five.

It should be noted that the Russian LCV market has exceeded 71,000 units by the end of the first ten months of 2016, indicating a 6.1% year-on-year decline.

Truck market has risen by nearly 5% in October

14.11.2016 / Autostat

According to Autostat data, the Russian new truck market has reached almost 5000 units in October 2016, which is equivalent to a 4.8% year-on-year rise. The market has grown for the seventh consecutive month.

Russian manufacturer KAMAZ has kept the market leadership, with more than 35% share of the market in October. The sales of the company is equivalent to 1800 vehicles, up by 3.8% year-on-year. Another Russian brand GAZ occupies the second place, with 533 units (-10.3%). Swedish Scania completes the top-three (319, +43%). Japanese Isuzu (291, +3.6%) and Belarusian MAZ (284, -22.2%) came fourth and fifth respectively.

Russian new truck market has amounted to 41,000 units as of the first ten months of 2016, following a 0.8% decline in comparison with the same period of last year.



1.15 million automobiles have been sold within the first ten months of the year

10.11.2016 / RusAutoNews.Com

Car and light commercial sales have shrunk by 13.3% in Russia within the January-October period, to 1,147,670 units. The October sales figures were down by 2.6%, with 126,658 vehicles. The data have been published by the Association of European Businesses (AEB). "Car market sales in October take only a moderate dip versus prior year, at the same exceeding September month result by a small margin. This is not a bad result, confirming our earlier voiced expectation that the new car registration trend should improve towards year end. Seasonality is a factor, of course, but the main driver here are the government programs offering purchase incentives to end customers. These programs are running out, in any case in the well-established form as we know them. What awaits us in 2017 remains to be seen. But it is clear already that, without meaningful support from the government, any trend stabilization would be very short-lived" - commented the representative of the AEB Car Manufacturers Committee Joerg Schreiber, on the decline in car sales in Russia.

Lada automobiles have been the top-sellers in October, according to the Association (+13% or 23,310 sold vehicles). The second place is occupied by KIA (+4% to 15,000 vehicles). The sales figure of Hyundai remained unchanged (14,190), Renault (+2%, 11,000 units) and Toyota (+16% to 7740 vehicles). KIA Rio was the most popular model in October (-0.8% to 8900 automobiles), Hyundai Solaris came second (-21.4% to 7500 units), followed by Lada Granta (-26.8% to 6800 vehicles). Lada Vesta occupied the fourth spot (5000 vehicles sold).

Russia's car imports have amounted to \$4.2 billion in nine months and exports to \$773 million

09.11.2016 / Autostat

Car imports to Russia have fallen by 23.6% by the end of the first nine months of 2016 to 197,600 vehicles. The monetary value of the imports amounted to \$4.376 billion within the aforementioned period, according to the Russian Federal Customs Service data. 190,800 vehicles have been imported from non-CIS countries for \$4.2651 billion and 6900 from CIS countries for \$110.9 million.

The truck imports shrank by 4.8% to 13,900 units within the January-September period, with a total value of \$665.9 million. 11,000 of these trucks were brought from the non-CIS countries for \$349.1 million and the remaining 2900 from the CIS for \$316.7 million.

Car exports from Russia fell by 32.2% to 48,800 vehicles by the end of the first nine months of 2016, generating \$773.4 million in total. 15,700 vehicles were sent to non-CIS countries for \$382.5 million and 33,200 to CIS countries for \$390.9 million. Truck exports were also down, by 29.9% to 8900 units, generating \$215 million in monetary terms. 3700 of these trucks have been exported to non-CIS countries for \$132.2 million and 5100 to CIS countries for \$82.2 million.

Government will allocate 64.1 billion for the support of automotive industry in 2017

03.11.2016 / Reuters

The Ministry of Industry and Commerce has requested from the government to increase the financial support for the automotive industry to 64.1 billion rubles and to abolish the cash-for-clunkers programme within the frame of its proposal, according to Reuters.

More than 50 billion rubles have been allocated for the support of the automotive industry in Russia during the crisis in 2016, however, as recently stated by the Deputy Minister of Industry and Commerce Alexander Morozov, the financial value for a new set of measures may exceed 60 billion rubles in 2017. The Russian car market has fallen for a fourth consecutive year, as a result of the economic downturn, weak ruble and the low oil prices. The sales of passenger cars and light commercial vehicles continue declining from the shrinkage to 1.6 million units last year, according to the Association of European Businesses (AEB).

Instead of the utilisation and trade-in programmes, which had a planned cost of 22.5 billion rubles in 2016, the Ministry of Industry and Commerce has proposed six support programmes targeted for different categories of the population and business people for a total amount of 27.3 billion rubles, as stated in the attachment to the letter of the Deputy Minister of Industry Morozov to the government, a copy of which is at Reuters.

The overall figure sums up to 64 billion rubles, as confirmed by a source from within the industry, familiar with the proposals of the Ministry of Industry and Commerce. Reuter has confirmed the existence of the letter and its attachments in the office of the Ministry of Industry and Commerce. The ministry has not made a comment as of Thursday afternoon. The representative of the Deputy Minister Arkady Dvorkovich, who is in charge of the automotive industry, declined to comment.

Russia had started to support the automobile market using the cash-for-clunkers programme after the 2008-2009 crisis, providing discounts on the purchases of new cars from the budget, in return for handing the old vehicles for scrap. The programme discontinued in 2011, to be resumed in 2014 in a somewhat modified form. Russian citizens used to be able to purchase any automobile manufactured by a local manufacturer, who signed an industrial assembly with the government irrespective of price, within the scope of the utilisation and trade-in programmes.

The new proposal made by the Ministry of Industry and Commerce puts a limit to the prices of automobiles to be purchased with a discount, according to the documents. 6 billion rubles will be spent on three programmes - "First automobile" (60,000 rubles subsidy on the purchase of the first automobile with a price up to 800,000 rubles, for citizens under 30 years of age), "Family automobile" (100,000 rubles subsidy on the purchase of an automobile up to 1 million rubles, for families with three or more children, who have no automobiles) and "Social worker" (60,000 subsidy for public sector workers on the purchase of automobiles up to 800,000 rubles).

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→ The source from the industry has told Reuters that a proposal has been discussed as to the limitation of the prices of automobiles in the “Social worker” programme to 700,000 rubles. The Ministry of Industry and Commerce expects a sales figure of 260,000 passenger cars and light commercial vehicles within the frame of the three programmes.

The ministry has proposed the allocation of additional 3.8 billion rubles for discounts on tractor purchases (“Russian tractor”), 2.5 billion rubles for subsidies aimed at farmers (“Russian farmer”) and 3 billion rubles for small businesses (“Small business”). The Ministry of Industry and Commerce proposes to double the support for exports, which may rise due to the devaluation of the ruble during the crisis, to 6 billion rubles from 3 billion in 2016. The remaining 36.8 billion rubles proposed by the ministry have been distributed amongst the programmes, which were already in force in 2016. 10.6 and 7 billion rubles are planned to be spent on preferential car loans and leasing programmes respectively, limiting subsidies on leasing only to commercial vehicles.

A total amount of 9.7 billion rubles is planned to be allocated for the government purchases of school buses, ambulances and urban electric transport vehicles and additional 3.5 billion rubles for the support of NGV sales.

A number of car manufacturers proposed to abolish or increase the price limits for the targeted programmes, since their products are almost always outside the pre-set price ranges, as told by two sources from the industry, who are familiar with the proposals of the Ministry of Industry and Commerce.

The programme has a social orientation, but the means of government support are unevenly distributed amongst car manufacturers: some of them receive almost all the funds, while the other part remains without state support, says one of the sources.

Avtotor has started the production of the Genesis G90 premium sedan

01.11.2016 / RG.ru

Kaliningrad Avtotor factory has started the assembly of the flagship model of the premium brand Genesis: G90, replacing the executive sedan Hyundai Equus. The automobile is available in three trim levels - Premier, Elite, Royal - and with three variants of petrol powertrains. In European classification system, Genesis G90 corresponds with the standards of F-class. A 24-valve, 3.8 lt, 308 hp engine is installed on G90 Premier. Elite has a 24-valve, 3.3 lt, 370 hp turbo engine. Royal can be equipped with a 32-valve, 5lt, 8-cylinder engine with 413 hp. All sedan versions in the Russian market have all-wheel drive, 8-speed automatic gearbox and adapted suspensions.

Genesis G90 is the first model of the luxury brand Genesis, created by Hyundai Motor last year. Another two Genesis models are bound to be introduced into the Russian market next year: G70 and G80 sedans.

Kaliningrad regional administration expects the construction of the BMW factory to start in 2017

01.11.2016 / 1prime.ru

Authorities from Kaliningrad region expect the construction of the BMW factory to start as early as next year, as told by the chief executive of the region Anton Alihanov.

“BMW has been operating in the region for 18 years, assembling automobiles in Kaliningrad in cooperation with Avtotor. I hope that we will start to implement the aforementioned plans, as to the construction of a full-cycle car production factory, by next year” - said Alihanov.

The plant in Kaliningrad has manufactured more than 160,000 BMW automobiles as of today. A great majority of the BMW vehicles sold in the country are manufactured by the Russian partner of the German company: Avtotor.

“BMW sees the region as an entry point to the Russian market. We, together with the Ministry of Industry and Commerce, would like Kaliningrad to be considered as an exit to the European, North African and Middle Eastern markets. In this perspective, the efforts made by the Ministry of Industry and Commerce, Ministry of Economy and the Eurasian Economic Commission on the creation of free-trade zones are crucially important” - added Alihanov.

KAMAZ electric buses will be sent to Moscow for test operations

01.11.2016 / Autostat

KAMAZ and Mostransavto have signed an agreement on the transfer of KAMAZ-6282 large-class passenger buses for trial operations. As one may remember, this will not be the first test conducted on the electric buses by the transport operator; Mostransavto has already used the vehicle for trial operations in May. As a result, a decision has been taken to put the second generation of electric buses with a new interior into test. The electric bus will carry the Muscovites along the “Slaviansky Boulevard - innovation city Skolkovo” route for the duration of the month, as stated by KAMAZ press office.

As noted, the use of electric buses can increase the environmental safety of the urban areas and the comfort of travel, since this type of transport is free of harmful emissions to the environment and creates a minimum level of noise.

As published by Autostat previously, the second generation KAMAZ-6282 electric buses with a new interior had been launched at the Bus World Russia-2016 Exhibition held in Moscow.