RUSSIAN 2017 BUS MARKET

The Russian bus market is quite conservative and the «rules of the game» are determined by the state. In this text we will tell about what those rules are and the alignment of forces on the market in 2017

MINIBUSES

A significant part of commercial passenger transportation in Russian cities is made by route minibuses – minivans of the M2 category, created on the basis of LCV segment vans. From time to time regional authorities declare their desire to remove minibuses from urban routes and replace them with large buses. But in fact, in the overwhelming majority of regions the picture remains the same, and small private carriers continue to operate mainly minibuses. For this reason, the volume of sales of minibuses is almost three times higher than sales of other «ordinary» buses (small, medium and large capacity): according to our estimates, in 2017 at least 30 thousand minibuses were delivered to the register against 11.5 thousand larger buses .

All minibuses that are on sale in the Russian market are brand new, bear the stamp «Made in Russia», and this applies to models built on the basis of all-metal vans of European brands. Several large enterprises specialize in such conversion, whose total production capacity allows for over 20,000 minibuses per year to be converted. In the current economic conditions, there is no such demand, and while in total in 2017 all the body builders of Russia were able to produce 10.4 thousand minibuses on the basis of vans of European brands (according to the company ASM-holding). At the same time, the base vans of the Peugeot Boxer, Citroen Jumper, FIAT Ducato, IVECO Daily, Mercedes-Benz Sprinter and Renault Master models are imported from abroad, while the Ford Transit and Mercedes-Benz Sprinter Classic are produced in Russia in full cycle. But the importation from abroad of new full-blown minibuses for commercial passenger transport is devoid of any economic sense, since such vehicles will be absolutely uncompetitive at a price. It remains to add that the

most popular for conversion into minibuses are Ford Transit vans (their share clearly exceeds 50% in the total number of minibuses produced in Russia), followed by Mercedes-Benz Sprinter Classic, and the share of other models is drastically smaller. For example, even the total number of minibuses based on the related FIAT Ducato, Peugeot Boxer and Citroen Jumper vans falls short of the result of the Sprinter Classic.

Russian-brand minibuses hold 2/3 of the market: they account for about 20 thousand registrations. These include the vehicles of GAZ and UAZ with almost equal market shares. In this case, the product line of these factories is very different. UAZ products – special minibuses of a wagon type on 4x4 frame chassis. Developed back in the 1960s, they do not correspond to modern concepts of comfort or ergonomics, but they have a stable demand due to their low price (from 8,900 euros) and high cross-country ability. None of UAZ minibuses is certified to be used as a route vehicle. The GAZ plant immediately put out three LCV lines, each of which has minibuses, including the 4x4 versions to operate in off-road conditions. The most demanded cars are the newest Gazelle NEXT series, in which there are minibuses both with original frame-panel bodies (used only as minibuses and school buses) and with standard stamped welded bodies. According to our estimates, last year more than six thousand minibuses of this series were made. The Gazelle Business family of minibuses gained another three thousand registrations. And 1.2 thousand buyers purchased the compact Sobol minibuses.

BUS TRUCKS

Another class of passenger cars that should be considered separately are the so-called bus trucks: passenger bodies on the chassis of trucks with high throughput with wheel formulas, the 4x4, 6x6 and even 8x8. In Europe, you will practically never meet this type of vehicles, but in the Russian regions, due to natural and climatic features and a large number of technological roads without a hard surface coating, such transport is indispensable.

Bus trucks are built by more than a dozen enterprises, however, in the statistics of production and registrations, only the products of the two most massive manufacturers, the Ural and NEFAZ automobile plants, are traditionally taken into account. The first of them assembles passenger bodies on the chassis of its own production (their brand is Ural, versions with hoods and cab-overs are available). The second factory belongs to the company KAMAZ, and therefore mounts its bodies on the chassis of KAMAZ trucks (there are only cab-over vehicles). The production volumes of bus trucks at these plants are very close: in 2016 in Russia there were 316 NEFAZ units registered and 286 Ural units (without taking into account army deliveries). In 2018, the production of bus trucks on Ural chassis also intends to expand the KAVZ plant located in Siberia and specializing in the production of ordinary medium and large capacity buses.

FROM SMALL TO ARTICULATED:

The bus market of all the remaining types should be considered together. This includes vehicles of small, medium, large and extra-large capacity – in fact, this is what they usually mean in colloquial speech by the word «bus». According to the agency «Autostat Info», all traditional buses in Russia in 2017 totaled to 11,509 registrations (here both new and used vehicles are taken into consideration, but registered for the first time in the territory of the state). Of this number, as many as 92% account for the share of national producers, whose positions here are strong as in no other segment of the Russian automotive market. How did this happen? Because according to Russian laws all municipal organizations cannot spend state budget funds for the purchase of foreign cars. In addition, only national automakers were covered by government subsidy programs for school buses and buses with gas engines.

Of the aforementioned 11.5 thousand registered buses, 63.4% are PAZ vehicles. A plant of the same name is under the control of the holding company GAZ Group, which also includes large LIAZ and KAVZ plants. The total market share of the GAZ Group, therefore, is even higher and amounts

to 79%. At the PAZ plant, production is recovering rapidly after the crisis: on the domestic market, demand for the plant's products grew by a quarter. Now on the PAZ assembly lines models of three different generations are simultaneously being assembled: they have the same dimensions (7.0-8.8 m) and the front-engine, but are in different price ranges. The main driver of growth may be considered the newest and most expensive model of a small class bus Vector NEXT, created on a special bus modification of the truck chassis of the GAZon NEXT. Despite the front engine layout and frame chassis, the plant has already developed for Vector NEXT a special urban version with a low floor level on the rear crowding area and a wheelchair access ramp. This has allowed the vehicle to participate in tenders for the purchase of city buses, announced by the largest municipal carriers. Nevertheless, the oldest family of PAZ buses, already developed in the early 1980s, still continues to be much more popular. In total, it racked up 4,090 registrations, and its basic model PAZ-3205 has been the best-selling bus in Russia for a quarter of a century (the result for 2017 was 3,148 units). Interest to this family is falling very slowly: over the last year it has decreased by only 5%, and there are two main reasons for this: low price and simplicity of structure, allowing owners to repair and service these buses on their own.

Of the mid-sized rear-engine city buses (with a length of 8.5-10 meters) the most popular is the Kursor bus (LIAZ-4292): 422 registrations. Under this general index there are two variants of execution that differ markedly in the set of used units: low-floor 3-door and semi-low-floor 2-door. In the first case, the bus uses a portal drive axle and a ZF independent front suspension, in the second – Chinese Hande Axles with dependent suspension.

Among the suburban and intercity buses of the same dimension, the most popular was the high-

field rear-engine model KAVZ-4238 (10 meters) and its short version KAVZ-4235 (8.4 meters): in total they have 298 registrations. Among city buses of large capacity (12 meters) the best result was demonstrated by the low-floor model LIAZ-5292: 672 registrations. At the same time, the LIAZ plant produced large parties (up to several hundred pieces) of three more models of the same dimension in 2017: the urban semi-low-floor LIAZ-5293, the urban high-floor LIAZ-5256 and the long-distance high-floor LIAZ-5250. Thanks to such a wide range of products, the LIAZ factory put out three times the total volume of buses produced by its nearest competitor NEFAZ.

In the past, Belarusian MAZ created serious competition for Russian plants in the class of medium and large-sized vehicles. However, in 2017, the Belarus producer could not win the same number of tenders, and the volume of bus deliveries fell by half: formally – by 56.5%, in fact – by 47.3% (75 low-floor buses, shipped to one of the carriers in the last days of December were not included in the statistics of registrations in 2017).

Extra-large capacity buses (low-floor, articulated, 18-meter) are present in the model range of two Russian manufacturers: VOLGABUS delivered 122 pieces of CityRhythm 18 in 2017, and the LIAZ plant – 89 LIAZ-6213 buses (unified with 12-meter LIAZ-5292). In addition, five more buses of extra-large capacity was sold to Russia by MAZ – however, in this case it's about single-deck 15-meter vehicles.

Summing up the work of national manufacturers on the promotion of medium, large and extra-large capacity buses on the Russian market, it may be noted that 2017 was generally less successful than 2016, as the number of vehicle registrations decreased by about 16%. But who in the past year has become more active, and very noticeable, are the suppliers of Chinese-manufactured buses! The dynamics of growth can be traced by an example of the last three years: if in 2015, only 157 Chinese buses were registered in the Russian Federation, and 159 in 2016, now just only Higer could sell 166 cars at once, and Yutong – 270! The overall result of Chinese brands in 2017 was an impressive 710 units (Yutong, Higer, King Long, ZhongTong, Golden Dragon). At the same time, even the Golden Dragon with the smallest of all indicators in 60 registered buses was ahead of any of the manufacturers of European brands (they accounted for a total of 248 registrations, the best individual result – 55 registrations of Setra).

TOP 10 RATING BY BRAND

	Brand	Number of registrations (according to LLC Avtostat Info)		
		2017	**2016**	**%**
1	PAZ	7,295	5,836	+25.0%
2	LIAZ	1,441	1,845	-21.9%
3	NEFAZ (not taking into account bus trucks)	543	684	-20.6%
4	VOLGABUS	361	275	+31.3%
5	KAVZ	359	366	-1.9%
6	MAZ	353	812	-56.5%
7	Youtong	270	57	+373.7%
8	Higer	166	25	+564.0%
9	King Long (Xiamen King Long)	144	52	+176.9%
10	ZhongTong	70	4	+1,650.0%

TOP 20 RATING BY MODEL

	Make, model	Number of registrations (according to LLC Avtostat Info)		
		2017	**2016**	**%**
1	PAZ-3205	3,148	3,691	-14.7%
2	PAZ-3204 (Vector + Vector NEXT)	2,482	961	+158.3%
3	PAZ-4234	857	540	+58.7%
4	PAZ-3203 (Vector)	715	562	+27.2%
5	LIAZ-5292	672	768	-12.5%
6	NEFAZ-5299	502	603	-16.7%
7	LIAZ-4292	422	738	-42.8%
8	KAVZ-4238	217	293	-25.9%
9-10	VOLGABUS CityRhythm 12	202	173	+16.8%
9-10	Yutong 6119	202	15	+1,246.7%
11	LIAZ-5256/5250/5251	195	98	+99.0%
12	MAZ-103	179	174	+2.9%
13	MAZ-206, MAZ-226	144	132	+9.1%
14	VOLGABUS CityRhythm 18	122	61	+100.0%
15	King Long XMQ 6127	106	35	+202.9%
16	Higer KLQ 6129	101	13	+676.9%
17	LIAZ-6213	89	127	-29.9%
18	PAZ-3206 (4x4)	85	80	+6.2%
19	KAVZ-4235	81	72	+12.5%
20	KAVZ-4270	61	1	+6,000%

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According to the information-analytical system Avtospectr, the total fleet of buses in the Russian Federation at the beginning of 2018 is about 438 thousand units. (without taking into account minibuses). The average age of the park is 16 years, while buses older than 15 years account for 46%. The share of buses of Russian origin is 85%, foreign brands - 15%. From the point of view of the form of ownership, 71% of the park belongs to legal entities, 29% to individuals. Only 37% of the buses of the park are equipped with diesel engines, the rest are gasoline engines. At the same time, the share of buses with engines of ecological class below Euro-4 is 85%.

According to the ACM-holding company, in 2017 the entire bus market in Russia, taking into account minibuses and imports, amounted to approximately 43 thousand units. It is forecasted that in 2018 it will grow by 9.3% to 47 thousand, and by 2025 it will reach 64 thousand units. ■