

Russian Automotive – Selected News

01.04 – 13.04.2011

Interkos-IV is on course to become a primary supplier for producers in St.Petersburg

13.04.2011 / Vedomosti

Interkos-IV plant, belonging to Magnitogorsk Metal Combine (MMK) is likely to become a Tier-1 supplier for the local motor vehicle producers in St.Petersburg.

Interkos-IV has started the construction of a new production line within its press parts factory, located in Metallostroy, St. Petersburg. A new press line will be set up accordingly. The new line is expected to start running by the end of April. Interkos-IV has stated that a new investment of 4bln roubles has been made for the development of the factory.

The company is preparing the new equipment for usage on the one hand and carrying out necessary works for obtaining certifications for the products of potential customers in automotive and white goods sectors on the other hand. Currently Interkos-IV supplies components for Ford and Hyundai plants in St.Petersburg. Company executives also stated that negotiations are in process with Nissan and GM.

Without a press line Intekos-IV is classified as a Tier-2 supplier. The establishment and running of the line will enable the company to promote itself to the level of Tier-1 suppliers. At present some body elements of Ford are being produced by Interkos-IV before being sent to Gestamp –also located in St.Petersburg- where they are processed before reaching the Ford factory, ready for the end user. A similar supply chain exists among Interkos, Shing Young and Hyundai.

KamAZ has sold its wheel rim department to Mefro-Wheels

12.04.2011 / Autostat

KamAz wheel rim production unite has signed a framework agreement, which proposes the sale of KamAzavtotehnika –located in Zainsk, Tatarstan- to the German producer. Mefro-Wheels is also a supplier for Daimler, a strategic partner of KamAz.

KamAz has pointed out; the wheel rim production's constant need for new investment and innovation, its very competitive nature as a sector and the tendency of the truck producers to set aside wheel rim production from their structures as the main reasons for their decision to go into partnership with the German producers.

Russian Automotive – Selected News

01.04 – 13.04.2011

GAZ Group and FinnvedenBulten are building a plant in Russia

12.04.2011 / Finnveden

Previous week GAZ Group's Automotive Components Division and Swedish producers FinnvedenBulten have declared that they will jointly build a plant in order to produce fasteners in Nizhni-Novgorod. The plant, which is planned to start production in 2012, will produce fasteners for the local producers in Russia and the CIS.

According to the agreement, GAZ will be responsible for supplying the producers in Russia and the infrastructure for production and distribution. Bulten, on the other hand will take responsibility of developing new products and projects, in addition to supplying for the global producers from Russia. According to the statement made by FinnvedenBulten, there's a serious demand for good quality fasteners in Russia. Moreover, it has also been mentioned in the statement that it's a wise decision to establish a plant in the country, concerning the high tariff rates.

Localisation will exceed 50% in Renault Truck Factory

08.04.2011 / autonews.ru

Renault Trucks is planning to increase the localisation rate from 20% to over 50% until 2013 within its truck factory in Kaluga. This statement has been made by the Renault Trucks Vostok's General Director, Fabrice Gorlier. Gorlier has drawn attention to the need for the localisation of a number of components, such as; bodyworks, chassis and tyres in order to fulfil this aim.

As from 2012, Renault holds 7% of foreign trucks market in Russia. The company aims to increase its share to 10% within 2011. 80% of Renault trucks sold in Russia are produced in Kaluga. The remaining 20% is imported. Gorlier expresses the desire to produce the full product range of the company in Russia.

The Kaluga factory, with the capacity of producing 10000 Volvo and 5000 Renault trucks per year with CKD method, had started to operate in January 2009, during the peak time of the economic crisis. In 2010, 300 Kaluga made Renaults had been sold. The company aims to sell 1000, 3000 and 4500 trucks in years 2011, 2012 and 2013 respectively. As one may remember, in September 2010 a memorandum of understanding had been signed by Renault Trucks Vostok and producers from Novouralsk, AMUR, which involved the agreement on the assembly of Renault Midlum trucks and the proposal of utilisation of Renault components in certain AMUR models.

Russian Automotive – Selected News

01.04 – 13.04.2011

Nokian will establish another tyre factory in Vsevoljsk

08.04.2011 / Delovoy Peterburg

Finnish tyre producers Nokian Tyres are willing to establish another plant in Vsevoljsk. There are plans to construct the new plant, with an annual tyre production capacity of 5-6 million tyres, right next to the currently existing 13 million per year production establishment and launch production within 2012. According to the statement made by the company, Nokian Tyres will invest approximately €240million during years 2012-13 in Russia.

SMMT: “Russia will be the saviour of the world automotive industry.”

06.04.2011 / autonews.ru

According to the English Union of Motor Vehicles Manufacturers and Traders' (SMMT) forecast in their “European Automotive Industry Report”, Russia will achieve the highest growth rate in the sector in the next 4 years. One of the authors of the report, Ian Henry has drawn attention to the intense activities being carried out by world's leading spare parts manufacturers in the country, as being the main reasons encouraging them to make such predictions. Companies such as; Bosal, T-Rad, Grupo Antolin etc. Henry also speculates that a sharp increase might occur in the production numbers in Russian automotive industry. The analyst predicts that while the number of foreign cars produced in the country had been 340.000 in 2010, this amount will have exceeded 600.000 by the end of this year and will be over 1.1million by the end of 2012. By 2014 this number will reach 2million. In other words, this means that the Russian automotive industry will grow sixfold within 5 years.

Another matter highlighted by SMMT is the possibility of an influx of Chinese brands into the European markets. According to Ian Henry, the launching of production units planned by Cherry in Turkey, SAIC in UK and Great Wall in Bulgaria indicates this possibility. Full capacity activity of these plants might mean that the number of Chinese cars sold in Europe will exceed half million.

AvtoVaz has completed its first party production of Kalinas with GLONASS

01.04.2011 / OIB Russia

AvtoVaz has completed the first party production of Kalinas equipped with Glonass Navigation Systems. As one may remember, last week Russian PM Vladimir Putin announced that, from 2012 it will be compulsory that all vehicles, including foreign brands, produced in Russia will be sold with Era-GLONASS system. In addition to that, an extra tariff, at the amount of 25% of the cost of the navigation system, will be charged upon imported vehicles that fail to be compatible with GLONASS. The new regulation will have taken effect by the end of the year.

Russian Automotive – Selected News

01.04 – 13.04.2011

Hyundai has started exporting its vehicles assembled in Russia

05.04.2011 / Reuters

Hyundai St.Petersburg has started exporting to CIS countries in April. The factory, with plans of 105.000 car production in 2011, intends to export 7000-8000 of these (Hyundai Solaris) to Ukraine, Azerbaijan, Kazakhstan, Belarus, Uzbekstan, Moldova, Armenia and Kyrgyzstan.

This way Hyundai has become the first brand among the companies that produce in Russia, to sell vehicles to customers outside Russian market. Apart from the year 2009, which followed the crisis immediately, the factories established in the country resorted to importing, for the purpose of closing the deficit caused by the lack of meeting the demands in the market due to their poor production capacities. Hyundai has stated that before 2012, the capacity of the St.Petersburg plant will be increased to 200.000 and three shifts system will be launched. Since the start of production, due to an added value of more than 50% thanks to the high localisation rate, the CKD producing factory has been able to sell vehicles to CIS countries free of tariff.

Further three companies have registered to Togliatti Special Economic Zone (SEZ)

01.04.2011 / Autostat

Three potential investors have registered their affiliate companies to Togliatti Industrial SEZ, established in Samara Region. According to the statement of Aleksey Pahomenko, Director of the EEZ, these companies are; Polad, TPV Rus and PKF Agni-VT.

TPV Rus will produce car seats in the region for the new Lada Grantas, which will be manufactured in AvtoVaz. It's estimated that the Slovenian producers will invest €10million. Polad, on the other hand has announced that it will establish a factory for recycleable parts made of metal powder to be used for cutters in bench equipments. Agni-VT company will produce safety bands used in the renewal of car tyres. Tolyatti Industrial SEZ had been established in 12.08.2010.