

# Russian Automotive – Selected News

27.01 – 16.02.2012

## Siberian automotive market has grown by 76% in 2011

16.02.12 / Avtomarketolog.ru

According to Avtostat data, 189,600 new vehicles have been sold in Siberia Federal Region in 2011. This amount corresponds to a 76.2% increase, when compared to the sales figures of the previous year. Moreover, this ratio approximately doubles the rate of increase recorded throughout the country. As one may remember, the automotive market has grown by 40% in Russia in 2011.

The analysis of the administrative units of Siberia Federal Region one by one, Kemerovo Oblast stands out as the region with most sales figures (43,765 vehicles), followed by Krasnojarsk Kraj and Novosibirsk Oblast with 34,658 and 25,736 vehicles respectively.

The market share of AvtoVAZ (Lada), the best-sold brand in Siberia Region in 2011, is 27.7%. On the other hand, Toyota has become the leader of foreign brands.

## KamAZ's 2011 profit: 992 million rubles

14.02.2012 / Vedemosti

KamAZ General Director Sergei Kogonin has announced that the company has made a profit of 992 million rubles in 2011. The year before, the company recorded a net loss of 2.2 billion rubles. Kogonin has also declared the turnover of the year 2011 as 106.3 billion rubles (+37%). A total number of 45,200 trucks have been dispatched within the year; 39,000 of which have been sold in the domestic market and the remaining 6000 exported. The production target of the company for the year 2012 is 48,600 vehicles. On the other hand, the planned turnover is 123.5 billion rubles.

## 154,000 cars and light commercial vehicles have been sold in Russia during the first month of 2012

09.02.2011 / AEB

According to the Association of European Business (AEB) Car Manufacturers Committee data, the total number of car and LCV sales in Russia has increased by 20% in comparison with the previous year. The sales figure recorded in January is 154,406. All top ten best-sold models have been produced in Russia.

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## Nissan has become the best-sold brand in Moscow in 2011

03.02.2012 / Avtostat

Nissan has become the best-sold brand-new car in Moscow in 2011. With 29,780 vehicles sold, Nissan has overtaken the previous year's leader KIA (29,574 vehicles). Quashqai, Teana and X-Trail have been the models helping the brand to take the first place.

Volkswagen has been ranked as the third best-sold brand in Moscow, behind Nissan and KIA with 25,573 vehicles sold. VW could only manage to occupy the eighth place in the list last year. The experts attribute this leap to the increase in the sales of Polo Sedan.

2010's fourth best-sold brand Lada slipped back to the tenth place in the list in 2011. The ten best-sold brands in Moscow in 2010 and 2011 and the relevant sales figures are as shown.

2010		
№	Brands	Units
1.	KIA	25.467
2.	FORD	20.867
3.	NISSAN	19.264
4.	LADA	16.660
5.	RENAULT	16.044
6.	CHEVROLET	14.564
7.	HYUNDAI	14.204
8.	VOLKSWAGEN	13.835
9.	TOYOTA	12.741
10.	SKODA	9.419
	<b>Total</b>	<b>269.221</b>

2011		
№	Brands	Units
1.	NISSAN	29.780
2.	KIA	29.574
3.	VW	25.573
4.	FORD	24.600
5.	HYUNDAI	24.007
6.	RENAULT	20.258
7.	CHEVROLET	18.318
8.	TOYOTA	18.284
9.	SKODA	15.633
10.	LADA	15.015
	<b>Total</b>	<b>364.151</b>

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## **Despite bankruptcy threats TagAZ managed to increase both its production and sales in 2011**

03.02.2012 / TagAZ

Taganrog Car Factory (TagAZ) has increased both the sales and production of its cars and light commercial vehicles by 13.2% and 21.4% respectively in 2011, in comparison with the previous year. While 30,633 vehicles have been sold in 2011; 30,551 have been manufactured.

39.5% of the sales belongs to Vortex and 47.9% to Hyundai models. The sales figures according to the models are as follows; Vortex Tingo: 10,269, Hyundai Accent: 8217, Hyundai Porter: 3020, BYD F3: 2004, Hyundai County: 996, Hyundai HD: 148.

According to the statement made by the company, the biggest success of the year 2011 had been finally getting back on track concerning the relationships with the creditors. As one may remember, TagAZ had come to an agreement on restructuring of the debts with all the banks apart from VTB in 2010-11 period. The negotiations with VTB continued until the end of the year and finally in December the parties came to an agreement and signed the restructuring agreement in a ceremony, in the presence of Prime Minister Vladimir Putin.

## **Daimler is willing to acquire the control shares of KamAZ**

31.01.2012 / Vedomosti

The General Director of Rostehnologii, Sergei Chemezov has announced that the German car producer Daimler is ready to purchase the control shares of KamAZ. Chemezov added that currently his company holds 49.9% of the shares and there's no specific reason to hold on to those shares anymore, especially when someone has shown interest in buying them. On the other hand, the General Director stated that there are no ongoing negotiations with Daimler on this subject at the moment.

Daimler currently holds 11% of KamAZ shares. The anxiety about a potential deterioration of the position of the company in the market following Russia's entrance to World Trade Organisation is perceived as the underlying reason of Rostehnologii's change of opinion, who previously was reluctant to sell the shares to the German company.

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## **AvtoVAZ has sold its wheel rim production department to Mefro Wheels**

31.01.2012 / Avtostat

AvtoVAZ has sold its wheel rim production department to German Mefro Wheels within the frame of the restructuring program in the company. In this way, 100% shares of OOO Mefro Wheels Russia Zavod Tolyatti have been transferred to OOO Mefro Wheels Russia, established by the German producer in Russia. As one may remember, OOO Mefro Wheels Zavod Tolyatti was established by AvtoVAZ with the sole purpose of realizing this sale. The enterprise will mainly make production in order to supply AvtoVAZ with wheel rims. In addition, the plant will also supply products to other companies operating in Russia that aim to meet the minimum localisation rate.

## **GM and Ford will bring the American component producers to Russia**

27.01.2012 / gazeta.ru

Ford and General Motors are getting ready to bring American component producers to Russia. The representatives of the companies share the opinion that this way while the quality of the vehicles increase, the costs will be reduced.

James Bovenzi, the Executive Director of GM Russia, has stated in his interview with The Detroit News newspaper that the Russian market has become very attractive for foreign investors following the admission to World Trade Organisation and it's within their power to dynamise the market further, using the means of infrastructure they own in other countries. According to Bovenzi, the arrival of the American component producers at the country will increase the quality of production and encourage the revival of the market. One also needs to take the fact into consideration that the Russian component producers have not yet grown into the desired maturity level. According to foreign producers, the component supplied by the Russians tend to have higher defect rates. On the other hand, Bovenzi explains the difficulties faced during component imports with the following anecdote: "Last year the ship delivering goods to the Shushary factory had been stuck in ice in the Gulf of Finland, thus bringing the production to a halt." American component producers' arrival at Russia has gained importance following last year's signature of Assembly Regime agreements by foreign producers under new conditions. The minimum annual amount of car production made compulsory for the companies in order to qualify for customs-free component imports had been raised to 300,000 from 25,000. In addition, the companies are under the obligation to localise 60% of their production.

As of today, among the producers who supply component for Ford and GM, only Lear Corp. and Johnson Controls have production facilities in Russia. Lear is producing seats for Ford Mondeo, while Johnson Controls for Ford Focus.