

### **Kiekert is opening its first factory in Russia**

01.04.2013 / Kiekert AG

Automobile lock systems manufacturer Kiekert has announced its investment plans in Russia. The first factory of Kiekert in Russia will be established in Naberezhnie Chelny, Tatarstan. The production in the factory will start by the end of 2013, according to the plans. As stated by Kiekert, the company has been supplying the domestic and foreign manufacturers operating in Russia with products for a long time.

### **FIAT is planning to penetrate into Russian market via Serbia**

27.03.2013 / Kommersant

FIAT is planning to improve its position in Russian automobile market by importing duty-free automobiles from Serbia. A free trade agreement exists between Serbia and Russia. A week ago, the authorities from the Serbian government have made a proposal to the Russian Ministry of Industry and Commerce on nullification of the customs charges, within the frame of the agreement. Negotiations concerning other branches of industry also lie behind this proposal. The Serbian authorities had financial demands on the sale of the Zelezara Sederevo Metallurgy Factory to the Russian wagon manufacturer public corporation: Uralvagonzavod, for a symbolic amount of money, in return for future investment promise. However, the sale of the factory to Russians for a symbolic amount, in case of a revision made by Russia on the free trade agreement, remains on the agenda.

Russia and Serbia had signed the free-trade agreement in year 2000. According to the agreement, some Serbian origin products are exempt from Russian customs charges. However, automobiles and trucks are not included in the agreement. Therefore, the revision demanded by the Serbian authorities concerns the inclusion of automobiles and trucks to the list.

The promise made by FIAT to the Serbian government on manufacturing 330,000 automobiles annually, brings FIAT into the topic as well. However, automotive sales display a downward trend in Europe currently. FIAT could only manage to sell 8600 automobiles in Russia in a whole year in 2012. The Italian manufacturer is also burdened by another promise of manufacturing 120,000 automobiles annually, made to Moscow. The future of this project is unclear at the moment. Serbia, on the other hand, seems ready to push forward the nullification of customs charges, on behalf of FIAT. The fact that FIAT currently holds the majority of the shares of FIAT Automobili Srbija, the biggest car factory of the country, established in Kragujevac, lies behind the support given by Serbia to the Italian manufacturer. 500L and Punto models are currently being manufactured in the factory, with an annual production capacity of 200,000 vehicles.

After parting ways with Sollers, FIAT had signed a flexible Industrial Assembly Regime agreement with the Ministry of Economic Development, taking on the obligations to manufacture 120,000 vehicles annually and to establish an engine factory.

### **Avtotor has started the assembly production of Hyundai automobiles**

27.03.2013 / Avtostat

Avtotor factory, established in Kaliningrad, has started the assembly production of the new Hyundai i40 automobiles. There are plans to start the production of Hyundai Equus in the factory in the short run.

Hyundai and Avtotor have invested \$23 million in the project. The production capacity of the first phase, which will end in 2015, has been determined as 10,000 vehicles. It's aimed to increase this figure to 25,000 by 2018. The partners have stated that the process to localise the production in Kaliningrad region has started.

As is known, Avtotor has been assembling Hyundai trucks for some time. The production, which started with HD-78 model in September 2012, has been expanded with the addition of HD-170 and 120 models this year. 5300 Hyundai commercial vehicles are planned to be manufactured in the factory until the end of the year.

### **The localisation rate of Peugeot 408 manufactured in Kaluga has reached 33%**

26.03.2013 / Avtostat

The localisation rate of Peugeot 408 Sedan, manufactured at Kaluga PSMA Rus factory since July 2012, has reached 33%. The components of the model such as; vehicle body surface elements, windows, front panels, seats and wheel rims etc. are being manufactured in Russia. As stated by the factory, this localisation rate has been achieved sooner than the time span projected within the frame of the plan presented to the government. Some of the suppliers of PSMA Rus, making production in Russia are as follows; Lear (seats), Magna (bumpers), Faurecia (internal and external plastic elements), Gestamp-Severstal (vehicle body elements) and Alfa Automotive Technologies. The rest of the components of Peugeot 408 are being imported: 50% from Europe, 10% from China and 5% from Argentina.

### **UAZ has increased its net profit by 2.11 times in 2012**

25.03.13 / AutoBusiness info

Ulyanovsk Car factory -an affiliate of Sollers- has announced that it has increased its net profit by 2.11 times in 2012, in comparison with the previous year. The declared amount of profit is 985,6 million rubles. The turnover of the company for the same period reached 27,931 million rubles. The profit generated from factory sales, on the other hand, has diminished by 8.25%, trailing at 1288 billion rubles. UAZ sold 68,218 automobiles in and out of the country in 2012 (+7%).

### **The car production has increased by 8.5% in St. Petersburg in February**

26.03.2013 / Auto-Dealer-SPb

According to Auto-Dealer-SPb agency data, the Toyota, GM, Nissan and Hyundai factories established in St. Petersburg have manufactured a total number of 65,800 vehicles within the first two months of 2013 (+12%). This figure is equivalent to 22.3% of the total automobile production in Russia. The production figure for February-only is 34,400 vehicles (+8.5%), on the other hand. The agency presumes that the current favourable production dynamics will continue till September. As a factor which will boost the positive dynamics even more; GM will start the production of Chevrolet Trailblazer soon. Additionally, Nissan will also return to 5-day-a-week production regime. According to agency, this September the production figures will not be able to overtake the figures achieved during the same period of the previous year, since the factories operated in maximum capacity in September 2012.

The models manufactured in Toyota, GM, Nissan and Hyundai factories are as follows; Chevrolet Cruze, Opel Astra, Nissan Teana, Nissan X-Trail, Nissan Murano, Infiniti FX, Infiniti M, Toyota Camry, Hyundai Solaris and KIA Rio.

### **Yekaterinburg market has grown by 5% in February**

25.03.2013 / Auto-Dealer-Yekaterinburg

According to Auto-Dealer-Yekaterinburg agency data, 12,918 cars and light commercial vehicles have been sold in Yekaterinburg during the January-February period of 2013 (+4%). This figure is equivalent to 3.5% of the Russian market. The number of vehicles sold in February is 7520 (+5%), on the other hand.

Lada has once again become the leader of Yekaterinburg market in February with a sales figure of 1105 vehicles (+10%). The total sales figure of Lada for the January-February period is 1816 (+1%). The period leader in sales amongst the foreign brands is Hyundai (1115 vehicles, +26%). The third place is occupied by KIA (1012, +27%). The rest of the brands are ranked as follows; Nissan (830, -7%), Renault (788, +47%), Chevrolet (788, -22%), Toyota (733, +35%), Volkswagen (750, -12%).

The Auto-Dealer-Yekaterinburg executives expect the total sales figure of the city to exceed the 100,000 vehicles mark this year. The annual figure was 97,348 vehicles last year.

### **KamAZ achieved to increase its profit by 73 times 2012**

22.03.2013 / Vedomosti

Russian truck manufacturer KamAZ has made a net profit of 4.8 billion rubles in 2012. Thereby, the company has increased its profit by 73 times, in comparison with the previous year. The declared turnover is 105.3 billion rubles. This figure was 5.3 billion rubles in 2011. KamAZ has sold 45,500 of the 51,355 (+6%) trucks it manufactured in 2012. The increase in the profitability of the company is attributed to the favourable conditions of the market conjuncture and the implemented efficiency improvement programme. The 2-year programme, inspired by the cooperation experience with Daimler, had commenced at the end of 2011.

### **15,400 cars and LCVs have been sold in St. Petersburg in February**

22.03.2013 / Auto-Dealer-SPb

According to Auto-Dealer-SPb agency data, 26,283 cars and light commercial vehicles have been sold in St. Petersburg within the January-February period of 2013 (+3%). The number of vehicles sold in February-only is 15,390 (+6%).

Renault has become the leader of the market by the end of the first two months of the year, with a sales figure of 2672 vehicles (+48%). The second place is occupied by Volkswagen (2182 vehicles, +8%). KIA comes third (1776, -10%). This trio is being followed by Lada with a sales figure of 1703 vehicles (+20%).

As of January-February, the share of St. Petersburg in Russian automotive market is 7.05%.

### **KamAZ and Palfinger AG are strengthening their cooperation in Russia**

21.03.2013 / Avtostat

Russian truck manufacturer KamAZ and Austrian Palfinger AG have signed an agreement proposing the production and marketing of mobile cranes in Russia and the CIS countries. Accordingly, KamAZ will assemble Palfinger cranes on its own chassis and provide services for the manufactured vehicles. Palfinger, on the other hand, will train KamAZ personnel in production and guarantee processes.

### **Russian LCV market has grown by 2.4% in February**

20.03.2013 / Avtostat

Russian light commercial vehicle market has grown by 2.4% in February. The total sales figure is 12,573. Thereby, the LCV sales in the country has reached 21,467 (+5.1%) by the end of the first two months of the year. 68.5% of the vehicles sold is formed of Russian brands.

GAZ has become the market leader with 6046 vehicles (+5.9%). 48.1% of the market currently belongs to GAZ. Second place is occupied by UAZ, despite the 6.3% decline in sales in comparison with the same period of the previous year (1613 vehicles). Volkswagen is the leader amongst the foreign brands (1139, +9.1%). This trio is followed by Lada, who sold 935 Largus and VIS during last month. The sales figure of Ford, on the other hand, is 776 (-6.1%).

### **168,000 cars, 14,000 trucks and 4000 buses have been manufactured in Russia in February**

19.03.2013 / Avtostat

According to Russian State Institute of Statistics data, 295,000 automobiles have been manufactured in the country, during the first two months of the year (9.1%). The February-only sales figure is 168,000 (-0.1%), on the other hand.

AvtoVAZ has become the leader of Russian automotive in February, with a production number of 46,502 vehicles (+1%). The production of Chevrolet Aveo has started in GAZ factory -established in Nizhni-Novgorod- on 05.02.2013. Elabuga Ford Sollers factory has manufactured its 20,000th automobile as of 13.02.2013, since its establishment in January 2012. On the 18th of February, on the other hand, Sollers-Busan partnership has started manufacturing Toyota Land Cruiser Prado in Vladivostok.

According to the same source, 21,900 trucks have been manufactured in Russia within January-February 2013 period (-14.2%). The number of trucks manufactured in February-only is 14,300 (-15.7%). The biggest truck manufacturer of the country: KamAZ has operated on a four-day-a week basis during the January-February period, partly due to the shrinkage experienced in truck demand at the beginning of the year and partly for the purpose of depleting the stocks. The factory has returned to 5-day-a-week production schedule as of 01.03.2013. The company is planning to manufacture a minimum number of 4500 trucks in March.

Finally, 6000 buses have been manufactured in Russia during the January-February period (+2.1%). 4000 of these buses have been produced in February.

### **The Renewal Tax in Russia will be levelled for all car manufacturers by mid-year**

18.03.2013 / Prime

The Russian Minister of Economic Development: Andrei Belousov has announced the government plans about levelling the conditions of the renewal tax for all car manufacturers in the country -domestic and foreign- by mid-2013. According to expectations, the relevant act is due to pass into law at the lower chamber of the Russian parliament Duma, during the Spring period.

At the moment, only the establishments or companies that import -new or second-hand- automobiles are liable to pay renewal tax in Russia. The manufacturers operating on Russian soil, on the other hand, have to give reassurances to the Russian government about scrapping the automobiles they manufacture in environmentally-friendly ways in future, instead of paying renewal tax. Due to the reaction of the representatives of the European Commission against the double standards implemented towards the importers and the manufacturers in the country, the Russian government had to announce its plans about a relevant amendment in February.

### **The spare parts prices in Russia may go down by 60%**

15.03.2013 / RIA Novosti

The Eurasian Economic Commission Minister, responsible for the Antitrust and Competition regulations Aldabergenov has stated that the spare parts prices can go down by 60%, in case the monopoly of the official distributors operating in Russia, Kazakhstan and Belarus is broken. The commission is currently working on the compatibility of the competition laws of these three countries. Aldabergenov has drawn attention to the absolute impossibility of bypassing the official distributors whilst making trade of any brand, within the border of the economic zone formed of Russia, Kazakhstan and Belarus. The Eurasian Economic Commission and the Federal Antitrust Agency (FAS) have been cooperating in order to change this situation for the last two years. As one may remember, quite recently, the legalisation of parallel imports came to the agenda, in this context. The new standardised Competition Law, which includes the new regulation about parallel imports, is due to be signed by the leaders of the three countries in July 2013.

### **PSMA will start Citroen C4L production in Kaluga**

13.03.2013 / Avtostat

PSMA Rus factory, established in Kaluga, will start the serial production of Citroen C4L Sedan in April. Currently, the test production of the model is being carried out in the factory. The General Director of Citroen in Russia: Jean-Louis Chamla had previously announced the planned monthly production number of C4L Sedan model as 2000-2500 vehicles. According to Chamla, Citroen is aiming to increase its sales in Russia by 30% in 2013. In order to reach this goal, the production of C-Elysee will start this year, in addition to the C4L model.