

### **358,000 automobiles have been manufactured in St. Petersburg within 11 months**

20.12.2013 / Avtostat

According to Auto-Dealer-SPb agency data, Toyota, GM, Nissan and Hyundai factories established in St. Petersburg have manufactured a total number of 358,600 automobiles (-0.5%) during the January-November period. The November-only production figure is 35,900 (-10%).

The share of St. Petersburg within the Russian automotive has reached 20% by the end of the 11-months period. The agency predicts the year-end production figure as approximately 390,000 vehicles. This figure will more or less be a repeat of last year's performance.

The models manufactured at the four factories are as follows; Chevrolet Cruze, Opel Astra, Chevrolet Trailblazer, Nissan Teana, Nissan X-Trail, Nissan Murano, Infiniti FX, Infiniti M, Toyota Camry, Hyundai Solaris and Kia Rio.

### **The number of induced automobile credits issued in Russia has reached 225,000**

20.12.2013 / Avtostat

Russian Ministry of Industry and Commerce has announced that 225,371 credits have been allocated up to today, within the frame of the Induced Automobile Credit Programme, which started on 01.07.2013. As of 15.12.2013, 23.2% of the credits has been used in Lada purchases, 11.4% in Chevrolet, 11.2% in Renault, 8.9% in KIA and 6.8% in Hyundai. The programme will end on 31.12.2013.

### **Russia is third in Europe in i-MiEV sales**

19.12.2013 / Avtostat

Russia has taken the third place in Europe in Mitsubishi i-MiEV electric car sales, behind Norway and Spain. These countries are followed by Germany and Switzerland. 109 of this model have been sold in Russia within the January-November period. This figure is equivalent to a 2.4fold increase, in comparison with the previous year. The first electric car to be released to the market in Russia: Mitsubishi i-MiEV is on the market since 2011.

The electric car market continues to grow in Russia, despite the lack of government support, the infrastructure required for the charging of automobiles and high prices (i-MiEV's sales price is around €40,000). Mitsubishi is planning to introduce the Outlander PHEV model in Russia next year, in order to make use of the interest shown by the public.

### **IzhAvto will manufacture 80,000 automobiles in 2014**

19.12.2013 / Avtostat

Izhevsk Car Factory (IzhAvto) has manufactured 57,771 Lada Granta model automobiles in 2013 (+19%). The General Director of the factory Alexei Alexeev has stated that the quality indicators have quadrupled during the year and more than 2000 employees have been professionally trained within the scope of several programmes.

Currently, the modernisation of production lines is being carried out at the factory. While the flexible welding complex, which will enable Renault and Nissan models to be welded on the same line, is being assembled, the modernisation of the Lada Granta line continues. Equipments are being assembled in plastic moulding, press production and bodywork paint workshops.

2.7 million rubles have been spent on the modernisation of IzhAvto in 2013. This amount will rise to 6 billion rubles next year. The planned amount of expenditure will reach 15 billion rubles in total.

The factory is planning to manufacture 80,000 Renault and Nissan brand automobiles in 2014. It's aimed to employ an additional workforce of 1400 people.

### **KamAZ has set its sales target for 2014 as 43,000 trucks**

18.12.2013 / Avtostat

KamAZ Board of Directors has approved the 2014 Business Plan. Accordingly, the company aims to sell 43,000 trucks and generate a turnover of 112 billion rubles (3.35 billion net profit) next year.

The turnover anticipated by the KamAZ executives as of the end of 2013 is in between 105-110 billion rubles (net profit expected: 4.3 billion rubles).

The market for trucks in between 14-40 tonnes has reached 57,300 vehicles in Russia by the end of the first nine months of 2013 (-33.4%). The sales figure of KamAZ for the aforementioned period is 26,611 (-10.6%). Thereby, the company has increased its last year's market share of 33.8% to 45.6% this year. KamAZ has generated a turnover of 77.185 billion rubles within the nine-months period (2.5 billion net profit).

### **GKN intends to establish a factory in SEZ Togliatti**

17.12.2013 / Vedomosti

According to Vedomosti's report based on sources from Special Economic Zone (SEZ) Togliatti, English GKN Group is planning to establish a factory in the region. The construction of the factory, which will make shaft production, will begin during the 3<sup>rd</sup> quarter of 2014.

Ford Sollers is amongst the potential clients of GKN, in addition to AvtoVAZ from Tolyatti, Avtoframos from Moscow and Nissan from St. Petersburg.

The amount of investment to be made in the project has leaked to the press as around 2.1 billion rubles.

### **Johnson Controls is opening its second factory in St. Petersburg**

16.12.2013 / Finmarket

American car components manufacturer: Johnson Controls is getting ready to open its second factory in St. Petersburg, with an investment of \$19 million. The relevant statement has been made by the company representative: Alexander Zaitsev. The area of the premises will be the same as the first factory: 4500 m<sup>2</sup>. The new facility will be established in Shushari Industrial Zone.

The factory, which will manufacture interior components, will commence operations in March 2014 with 70 employees, according to plans.

### **Knorr-Bremse Kama is opening a new production line**

13.12.2013 / Avtostat

KamAZ - Knorr-Bremse partnership: Knorr-Bremse Kama is getting ready to open a new production line in Naberezhniye Chelny. \$1 million has been spent on the project. The new line will produce 40,000 clutch servos annually. Half of this production will be used in supplying KamAZ and the other half in another KamAZ partnership ZF KAMA.

As one may remember, Knorr-Bremse had commenced operations in October 2008.

### 1.8 million automobiles have been manufactured in Russia in January-November period

16.12.2013 / Avtostat

According to Russian Federal Institute of Statistics: Rosstat data, 1.8 million automobiles have been manufactured in the country within the January-November period of 2013 (-2.3%). The production figure of November-only is around 200,000 (-1.6%). AvtoVAZ has once again become the leader of production in November with 39,473 vehicles (-19.1%).

AvtoVAZ has reached the planned capacity in November, manufacturing 3784 Nissan Almeras. This number is expected to rise to 4600 in December. Avtotor factory, established in Kaliningrad, has started the production of KIA Sorento with CKD method, last month. Ford Sollers has manufactured the 50,000th Mondeo in November, on the other hand. The model is being produced since March 2009.

Again according to Rosstat data, 188,000 trucks have been manufactured in Russia, during the January-November period (-2.4%). The November truck production figure is approximately 20,000 (+6%). The biggest truck manufacturer of the country: KamAZ has stopped production in November, in order to prevent stock accumulation.

48,400 buses have been manufactured in Russia in eleven months (-6%). November production figure is 5200 (-3.7%), on the other hand. GAZ Group affiliate: PAZ Bus Factory has started manufacturing Vektor brand medium-class buses in November.

### Russian LCV market has shrunk by 11.1% in November

12.12.2013 / Avtostat

14,617 new light commercial vehicles have been sold in Russia in November. This amount is 11.1% below last year's sales figure. 156,722 LCVs have been sold within the January-November period of this year (-2.7%), on the other hand. 67% of the vehicles sold belongs to Russian brands.

As usual, GAZ has become the leader of the market in November: 6647 vehicles (-21.2%). GAZ holds 45.5% of the market. UAZ occupies the second place (1853 vehicles, -30.2%). Ford is the leader amongst the foreign brands with 1565 vehicles (+24.7%). The fourth best sales figure in November belongs to Volkswagen (1122, -1.6%). Lada is ranked fifth with a total sales number of 901 Largus and VIS.

### **Russian vehicle market has shrunk by 4% in November**

10.12.2013 / OIB Russia

According to Association of European Business (AEB) Car Manufacturers Committee data, 231,982 new cars and light commercial vehicles have been sold in Russia in November. This is 4% below last year's sales figure. The number of cars and LCVs sold within the January-November period has gone over the 2,5 million vehicles mark (2,513,163 vehicles, -6%), on the other hand.

The President of AEB Car Manufacturers Committee Joerg Schreiber has made the following comment on the figures: "No question, the total industry is still declining, albeit at a slower pace."

### **The decline in automobile imports to Russia continues**

09.12.2013 / AutoBusiness Review

According to the statement made by Russian Federal Customs House, by the end of the first ten months of the year, the number of automobiles imported to the country has fallen by 18.6%, in comparison with the previous year, with 747,400 vehicles. The monetary value of this import is \$14.21 billion. Russia has exported 108,200 automobiles abroad within the same period of time (+16.5%). The monetary value of this export is approximately \$1.15 billion.

### **86,000 new heavy trucks have been sold in Russia within the January-October period**

06.12.2013 / NAPI

According to the research company NAPI data, 86,200 new heavy trucks have been sold in Russia during the January-October period (-16.86%). The number of vehicles sold from this segment in October-only is 9100, on the other hand (-13.57%).

KamAZ has become the market leader of the first ten months of the year, with a sales figure of 25,194 vehicles (-5.52%). The market share of the company is almost 30%. GAZ occupies the second place with 10,114 vehicles (+0.7%). Belarusian MAZ has sold 8116 vehicles, on the other hand (-30.21%). Scania, MAN and Volvo occupy the top-three places amongst foreign brands. The sales figures of these companies by the end of the 10-months period are; 5088 (+3.41%), 4957 (-24.18%) and 4775 (-18.21%).

### 7.4% of Russian market belongs to premium segment

12.11.2013 / AutoBusiness Review

According to AEB data, 157,000 premium segment automobiles have been sold in Russia, within the January-October period (+4.7%). The share of the segment in the overall market is 6.9%. The number of premium vehicles sold in October-only is 17,300 (+7.7%), a figure equivalent to 7.4% of the whole market, on the other hand.

Mercedes-Benz has become the segment leader with a sales figure of 36,200 vehicles, by the end of the first ten months of the year. The brand has a segment share of 23%. Mercedes-Benz is followed by BMW and Audi with 21.5% and 19.1%, respectively. The total sales figure of the three brands is over 100,000 (+13%). In contrast with the rest of the premium brands, the sales of Japanese brands such as; Lexus and Infiniti have declined by 16% and 11% respectively, in October.

According to the prediction of AutoBusiness Review, the premium brand sales in Russia will have exceeded 190,000 vehicles by the end of the year (5.6%).

### Russian new automobile and LCV market has shrunk by 8% in October

11.11.2013 / OIB Russia

According to Association of European Business (AEB) data, new automobile and LCV sales have declined by 8% in Russia in October, in comparison with the previous year, with 234,841 vehicles. The January-October period sales figure is 2,281,181, on the other hand (-7%).

The President of AEB Car Manufacturers Committee: Joerg Schreiber has made the following comment on the sales figures: "As we are approaching the year end, it becomes clearer that the long-awaited market stabilization is unlikely to happen before the end of 2013."

### Grupo Antolin will manufacture roof modules and automatic window systems in Nizhniy Novgorod

04.12.2013 / Vedomosti

Spanish Grupo Antolin affiliate: Antolin Avtotehnika Nizhni-Novgorod will invest 300 million rubles in roof modules and automatic window systems production in Nizhni-Novgorod. As reported by Vedomosti, currently the equipment is being installed on the premises selected for the factory. It has been announced that the factory will have 150 employees. Up to today, Brose was the only automatic window systems manufacturer operating along the Volga bank. Brose factory, established in Tolyatti, is the supplier of several GAZ models, as well as Lada Granta and Priora.

### **Volkswagen Kaluga factory has started the test production of Skoda Rapid**

06.12.2013 / Finmarket

The Director of Kaluga Volkswagen factory Andreas Klar has announced that the test production of Skoda Rapid has started. The serial production of the model will start on 28.02.2013. In addition, the factory will take Skoda Fabia off the production line next year. Klar is sure that Rapid will create a high demand in Russia.

Klar has also stated that engine production will start at the new factory, which is currently being constructed, from September 2014 onwards. The new factory will manufacture a daily amount of 600 1.6 lt. EA211 model engines for the production made on behalf of Volkswagen in Kaluga and Nizhniy Novgorod. Volkswagen has invested €250 million in this project.

New year holidays will start on 28.12.2013 at the Volkswagen factory. The factory will resume production on 09.01.2014. The factory, established in Kaluga in 2009, is currently manufacturing Skoda Fabia, VW Tiguan and Polo with CKD method and VW Touareg and Multivan with SKD method.

### **KamAZ will manufacture 2000 “5490” model tow trucks in 2014**

05.12.2013 / Avtostat

KamAZ will manufacture 96 new generation KamAZ-5490 (M1842) model tow trucks, co-developed with Daimler AG, until the end of the year. The model, with a maximum loading capacity of 60 tonnes, had left the production line in October, for the first time. According to the statement made by the factory, there are plans to manufacture 2000 of this model next year. Experts from KamAZ anticipate that the model will increase the share of the company in this segment from 2-5% interval to 25%.

The cabins of KamAZ 5490 are adapted from Mercedes-Benz Axor series. The vehicles are equipped with OM547LA engines, which also belong to Mercedes-Benz.

KamAZ is shifting to international standards in model classification. Accordingly, KamAZ-5490, KamAZ-65206 and KamAZ-65207 will be renamed as M1842, T2642 and T2640.

### **AvtoVAZ will have started the production of five new models by 2017**

05.12.2013 / Prime

AvtoVAZ is planning to start the production of five new models by 2017. One of these models will be a sedan, two crossovers, one hatchback and one SUV. AvtoVAZ Press Office Manager Alexander Shmigov has stated that the serial production of the first model a sedan, currently named as Lada B (2180), to replace Lada Priora- will start by the end of 2015-beginning of 2016.

Shmigov has added that experts from Renault and AvtoVAZ are currently in the process of designing a high hatchback and a crossover, named BM-Hatch and BM-Cross SUV, respectively. The production of the first model will start in 2015 and the second one in 2016. Shmigov claims that BM-Hatch will be the model which will change the image of Lada. The production of Lada C-Cross, which is projected to be the most expensive crossover of the model range, will start after 2015. Finally, AvtoVAZ is planning to start the production of the new version of Lada 4x4 in 2017.

### **Induced automobile credit programme in Russia is coming to an end this month**

03.12.2013 / Avtostat

Russian Minister of Industry and Commerce Denis Manturov has announced that the induced automobile credit programme will end on 31.12.2013. The programme had started on 01.07.2013. Manturov has stated that the main tasks of the programme have been accomplished: "By the end of the first ten months of the year, we have managed to cut down the decline in production, which was experienced in parallel with the recession in the automobile market, from 17% to 2.9%. The light commercial vehicle production is level with the previous year."

The Minister has added that 184,000 cars and LCVs have been sold with the credits issued within the scope of the programme, between July and November. It's estimated that by the end of the programme, this number will have risen to 248,000. This figure is 15% above the expectations prior to the implementation of the programme.

### **GAZ Group has started the serial production of Vektor buses**

29.11.2013 / Avtostat

GAZ Group affiliate: Pavlovsk Bus Factory (PAZ) has started the serial production of Vektor model medium-class buses. The Group will have sent 30 Vektors to Sochi by mid-December. The number of Vektors manufactured up to today is 12. The General Director of PAZ Andrei Vasiliev has stated that the majority of the 650 million rubles to be invested in the factory by GAZ Group will be used on the production of Vektor buses and the development of a new low floor bus model. The sales price of Vektor buses starts from 2,150,000 rubles. PAZ is planning to manufacture 400 of this model in 2014.



### **The market share of Chinese brands in Russia is on the rise**

03.12.2013 / AutoBusiness Review

70,540 Chinese brand new automobiles have been sold in Russia within the first nine months of 2013 (+16%). According to Avtostat's analysis, amongst the federal republics, Chinese brands are most popular in Bashkortostan, with 4490 vehicles sold. Bashkortostan is followed by Republic of Tatarstan (4360), Moscow Region (4180), Moscow City (3700) and Sverdlov Region (3090).

In terms of regional market shares, Chinese brands are most successful in Omsk region with 8.7%. There are 13 federal regions, where the market share of Chinese brands is 5% and above. However, in important markets such as; Moscow and St. Petersburg, this rate remains below 2%.

### **IzhAvto will stop production for 1.5 months**

02.12.2013 / Avtostat

Izhevsk Car Factory (IzhAvto) will stop Lada Granta production between 02.12.2013 and 15.01.2014. The factory will focus on the modernisation programme approved by AvtoVAZ within the one and a half months period, as reported by Interfaks. A factory representative has stated that the modernisation of the welding shop and the training of 1100 employees will be completed, within the aforementioned period.

According to Avtostat data, IzhAvto has manufactured 51,877 Lada Grantas within the first ten months of the year. The production target for this year had been announced as 60,000 automobiles, previously. 100,000 Lada Granta and Nissan automobiles are planned to be manufactured next year, on the other hand. IzhAvto will start manufacturing Lada Granta Hatchbacks within the April-May period of 2014 and Nissan brand automobiles during the second half of the year. There are plans to start Renault production in the factory in 2015, on the other hand. IzhAvto's production target for the year 2017 is 300,000 automobiles.

### **The shrinkage in St. Petersburg vehicle market continued in October**

27.11.2013 / Auto-Dealer-SPb

According to Auto-Dealer-SPb data, 167,398 cars and LCVs have been sold in St. Petersburg in January-October period (-5%). The number of automobiles sold in October-only is 17,513, on the other hand (-5%). Volkswagen has become the leader of sales with 1516 vehicles (+5%). Renault is the best-sold brand, as of the first ten months of the year: 14,580 vehicles, +20%.

Due to the fact that no new models will be put on the market until 2014, the agency writes off any growth potential in the market until the end of the year. On the other hand, St. Petersburg market is shrinking at a slower rate, compared to the rest of the country. The Russian market had shrunk by 7% within the first ten months of the year and 8% in October.

### AvtoVAZ will discontinue Lada Samara Hatchback production

26.11.2013 / gazeta.ru

AvtoVAZ car factory will discontinue the production of 5-door Lada Samara Hatchbacks as from December. The factory had previously discontinued the production of 3-door Lada Samara Hatchbacks. The press bureau of the company has stated that the decision has been made within the frame of AvtoVAZ's 2020 Development Programme.

Lada Granta Hatchback will replace Lada Samara Hatchback on the production line from 2014 onwards. Currently, only the Sedan version of the model is being manufactured in the factory. Granta Hatchbacks will be manufactured in Izhevsk.

The modernisation of the second line of the main production line -where Samara model is being manufactured in parallel with Priora- is being carried out in Tolyatti factory at present. Following the completion of modernisation works, production for the Renault-Nissan alliance will start on the new line. The planned annual capacity of the new line is 360,000 automobiles.

Lada Largus and Nissan Almera are being manufactured on the first line, on the other hand. According to the press bureau of the factory, the production of Renault models will start on this line in near future.

