

## Daewon will open its second factory in Russia

30.12.2016 / [RusAutoNews.com](http://RusAutoNews.com)

Avtovaz has reached an agreement with Daewon, which manufactures car seat frames for Lada Vesta, about the organisation of production in Izhevsk. The relevant statement has been made by the general director of Rostec: Sergei Chemezov. He added that increasing the localisation of Vesta and XRAY by 10% within three years is the next task for the company (currently 40%).

Daewon opened its first factory in Russia in St. Petersburg in 2010. The factory makes seat production for Hyundai Solaris and KIA Rio vehicles manufactured at Hyundai St. Petersburg plant.

## GAZ Group will deliver 900 buses to Iran

29.12.2016 / [RusAutoNews.Com](http://RusAutoNews.Com)

GAZ Group has signed a memorandum of understanding with the mayors of Iranian cities: Tabriz, Karaj, Kum and Urmia on the delivery of 900 LiAZ buses. The sides have agreed on the sales of finished buses and the supply possibilities of vehicle sets following the organisation of the assembly of GAZ Group products in Iran.

Manfred Aibek, the CEO of Russian Machines corporation: “The agreement signed by GAZ Group on the delivery of buses to Iran is a significant event in our point of view, indicating a new strategic stage in our cooperation. Iran is currently a promising market for different aspects of the businesses of Russian Machines.”

Vadim Sorokin, the chairman of GAZ Group: “We are interested in the organisation of a full distribution network and a quality after-sales service for all our products on the whole territory of Iran: light commercial vehicles, urban buses, coaches and heavy trucks. We are also ready to supply Iranian companies with YaMZ engines for the assembly of trucks, buses, agricultural vehicles, generators and small boats. Concerning our production of equipment in various segments of commercial vehicles, we can offer Iranian customers package solutions, which will provide for the requirements of the transport security of their businesses.

## Avtovaz has raised 26 billion rubles through an additional issue of shares

27.12.2016 / [rbc.ru](http://rbc.ru)

Avtovaz has completed the placement of 2.9 billion shares within the frame of an additional issue, raising 26.141 billion rubles as a result, according to the corporate information disclosure server data of Interfax. As noted in the accounts of Avtovaz, the share of the actual floated securities is equivalent to 88.52% of the total number of the securities of the additional issue. The cost of one security amounted to 9 rubles. The shareholders have given approval for the implementation of an additional issue of 3281 billion shares at a par value of 5 rubles in October 2016. The representative of Avtovaz Board of Directors Sergei Skvortsov has emphasised the critical importance of the decision for the immediate and the long-term development of the company.

## Kamaz plans to sell 36,000 trucks in 2017

28.12.2016 / Autostat

Kamaz will concentrate its efforts on the development of sales in export markets and increasing the sales of automobiles from the new model range in 2017, in parallel with a serious investment in the modernisation of production.

As announced by the press office of Kamaz, the company plans to sell 36,000 vehicles in accordance with the business plan of 2017, 6000 of which will be exported. "We'll aim for our traditional markets at the first stage. Iran, Southeast Asia (Myanmar, Indonesia, Malaysia) and Latin America (Colombia, Chile, Uruguay, Paraguay) are the new markets, on the other hand. We plan to resume the assembly of Kamaz trucks in Iran and Vietnam" - said the general director of Kamaz Sergei Kogogin.

The company has reoriented the exports in 2016. The share of exports to non-CIS countries overtook the CIS countries in the total volume. The head of Kamaz has mentioned the delivery of Kamaz vehicles to Cuba as one of the significant contracts signed by the company, part of which will take place in 2017. "In general, in the light of the economic analysis of the countries where we export our vehicles, a great increase in exports should not be expected for the moment" - added Sergei Kogogin. Therefore, the current main focus of the company is the establishment of professional sales teams and search for new contracts and directions. In addition, according to Kogogin, the government has a great role to play by implementing demand stimulating programmes.

The company intends to enter the overseas markets with its new flagship model range - Kamaz-5490. Kamaz took on a major challenge for 2017: to manufacture and sell 6100 vehicles from the new model range. "It's necessary to consolidate the position gained by the long-haul tractor Kamaz-5490 and to expand the production of new vehicles in different modifications. The key factor is that we have to go beyond the Russian market" - stated Sergei Kogogin.

A large amount of investment is planned in the development of production, on the other hand. "The development programme of PJSC Kamaz has been formulated in a modular principle and can be transformed depending on circumstances: we won't stop the priority investment projects even in times of crisis" - highlighted the director of the car giant. The current main projects are the organisation of the production of a new family of 6-cylinder in-line engines and the construction of a new cabin frame factory.

Kamaz invested more than 6.5 billion rubles in the modernisation of production in 2016 and the planned investment in development is approximately 20 billion rubles for 2017. According to Kogogin, as of today, this is probably the record amount of investment made in the history of Kamaz, excluding the factory construction periods.

## **ERA-GLONASS system will be compulsory for all imported automobiles from 2017 onwards in Russia**

26.12.2016 / RusAutoNews.Com

ERA-GLONASS is the Russian system of emergency response, based on the European standard eCall/E112. The system is designed for use with the global satellite navigation system GLONASS on behalf of the Government of the Russian Federation.

As stated by the press office of Russian Federal Customs House, the entry of information about the emergency services calling device will be compulsory in the 'Special Notes' section of the passports of the new transport vehicles on traffic, from 01.01.2017 onwards. This requirement applies to vehicles equipped with a device to call the emergency services, the information about which is found in the certificate of vehicle safety design.

A vehicle may still obtain a passport, if there's a valid vehicle safety design certificate issued before 1 January 2017, which does not contain information about the equipment of the emergency services call device.

## **The Russian new luxury automobiles segment has grown by a quarter in November**

20.12.2016 / Autostat

Analytical agency Autostat has conducted a survey on the Russian new passenger cars market, including the luxury segment.

According to the results of the survey, the luxury segment amounted to 77 vehicles in November 2016, indicating a 26% year-on-year increase (up from 61 units). Thereby, the Russian luxury automobiles market has returned to plus figures, following three consecutive months of decline. The analysts from Autostat are of the opinion that the rise is largely due to the low-base effect of the previous period.

Approximately 60% of the total market volume of the luxury segment belonged to one model last month - Mercedes-Benz Maybach S-Class, with 46 units. Maybach S-Class is followed by Bentley, with a sales figure of 21 vehicles. 6 new Rolls Royce and 4 Maserati automobiles have also appeared on Russian roads during the last month of Autumn.

The total volume of the Russian luxury automobiles market has amounted to 1116 units by the end of the first 11 months of 2016, which is equivalent to a 4% year-on-year rise.

## **Avtovaz intends to release 8 new models in 10 years**

26.12.2016 / [RusAutoNews.Com](http://RusAutoNews.Com)

The model range of Lada will be expanded with new models in the next decade, including an ultra-budget model. "We are getting ready to renew our Lada model range in full within the next 10 years, with 8 new models. As I said previously, the first model to be launched at the end of next year will be the estate wagon Lada Vesta Cross" - told by the Chairman of Avtovaz: Nicolas Moore to Kolesa.ru portal.

The other models to be included in the pool of new products can only be assumed for the moment. Probably, the regular version of Vesta estate and the cross-type sedan of the model, the serial prospect of which has already been determined, will be amongst the new releases. The all-wheel drive Lada Xray Cross will also be a part of the model range. Avtovaz has presented the conceptual crossover Lada Xcode at Moscow Auto Show, which took place late Summer this year. It's assumed that the model will replace Lada Kalina hatchback, with adjustments to positioning and target audience. Obviously, the updated Lada 4x4 SUV from the current generation and its successor, which may grow in size and lose utility, will compete for buyers in the compact crossovers segment.

In addition, according to Nicolas Moore, Avtovaz will organise two very interesting events in the period between the end of 2017 and the beginning of 2018. Perhaps, the aforementioned events relate to the facelift of Lada Granta and Kalina, as well as the launch of Lada Connect.

As one may remember, the head of Avtovaz has previously mentioned the production possibility of an ultra-budget model, with a price below the average market minimum, around 395,000 rubles.

## **Vehicle production in Russia has increased by 12% in November**

16.12.2016 / [RusAutoNews.Com](http://RusAutoNews.Com)

According to Rosstat data, 1,024,000 cars have rolled off Russian production lines by the end of the first 11 months of 2016, which is equivalent to an 8.9% year-on-year decline. The November production figure of 113,000 vehicles, however, indicates a 12% increase, in comparison with the same period of the previous year.

Bus production has increased by 17.7% in Russia by the end of eleven months, to 38,000 units. Bus factories have manufactured approximately 5700 vehicles in November, on the other hand (+71.4%).

123,000 trucks have been manufactured within the January-November period, indicating an 8.5% year-on-year rise. 15,000 trucks have rolled off Russian production lines last month, up by 17.3% compared to November 2015.

## **Coskunuz and MMK have started the construction of a Metalworks Plant in Tatarstan**

21.12.2016 / [RusAutoNews.Com](http://RusAutoNews.Com)

Ford Sollers will optimise its supply chain through the new steel service centre, established by Coskunuz Alabuga and Magnitogorsk Iron and Steel Works companies in Alabuga Special Economic Zone (SEZ).

Within the frame of the new Alabuga Steel Service Centre, it's planned to organise the production of the cut sheet metals for the stamping of the parts of the bodyworks of automobiles on the production lines of leading Russian car manufacturers, the first of which will be Ford Sollers. SSC Alabuga will be the only facility of its kind in the region.

The establishment of the new steel service centre in Tatarstan will create a number of opportunities for Ford Sollers, including - the optimisation of supply chains, the optimisation of the production costs of automobiles, the reduction of warehouse inventory, the reduction of the risks of damage on metal-rolls and steel feeds for stamping of panels during transportation.

The annual production volume of SSC Alabuga is planned as 60,000 tonnes of metal-rolls. The manufacturer will be responsible for the quality of cutting to the final stage of vehicle assembly. All production will comply with the TS-16949-2002 and OHSAS 14001 international standards. Operations will commence at the new steel service centre during the second quarter of 2018, according to plans.

## **GAZ has started the serial production of GAZon Next CNG**

12.12.2016 / [RusAutoNews.Com](http://RusAutoNews.Com)

GAZ Group has started the serial production of GAZon Next CNG, which runs on compressed natural gas, CNG. The vehicle is equipped with the domestic YaMZ-534 CNG engine. The use of gas engine reduces fuel costs by 40-50% compared to the diesel version and can increase the economic efficiency of the car significantly.

Vadim Sorokin, the Chairman of GAZ Group: "Compressed gas is economically the most effective type of fuel used in commercial transport today. Therefore, we focus our attention in that direction. GAZ became the pioneer in the serial production of automobiles on LPG in 2010 - propane-butane, and our product range includes CNG-fuelled automobiles since 2013. The gas-fuelled vehicle range of GAZ Group has been expanded with the addition of GAZon CNG. Further expansion of the product range is within our plans."

## **Bridgestone has started tyre production in Ulyanovsk**

19.12.2016 / [RusAutoNews.com](http://RusAutoNews.com)

As stated by the government of Ulyanovsk region, Bridgestone Corporation has built its first car tyre factory within the territory of Russia and the CIS countries in Ulyanovsk region, in cooperation with the company's strategic partner Mitsubishi Corporation.

"Around fifty people are employed in the facility currently, with high wages and interesting work perspectives. I'm sure that the work pace and the atmosphere created by the cooperation with partners from Bridgestone will provide great benefits for the economy and the social well-being of our entire region" - said Governor Sergei Morozov.

As one may remember, the construction of the first and only Bridgestone plant in Russia was completed in September 2016, at Zavolzhye Industrial Zone in Ulyanovsk. 12.5 billion rubles have been invested in production. The factory currently operates in test mode and the actual production for the market is planned for Spring 2017. The daily production capacity of the plant will reach 12,000 tyres by the second half of 2018, according to plans. Ulyanovsk plant will manufacture up to 2 million tyres annually and the rate will be doubled in the long term. The number of employees will go up to 800, in parallel with the planned output.

As published by Autostat, the investment agreement for the construction of the plant was signed amongst Bridgestone Corporation, Mitsubishi Corporation, the government of Ulyanovsk region and the Regional Development Corporation in April 2013. The sod-turning ceremony of the BMSNG factory was held in April 2014. Construction work, installation and the commissioning of production equipment have been carried out between the years 2014-2016.

## **Russian truck market has returned to plus figures since the turn of the year**

12.12.2016 / [Autostat](http://Autostat)

According to Autostat data, the Russian new truck market has amounted to 5500 units in November 2016, which is equivalent to a 5.5% year-on-year increase. The market has grown for the eighth consecutive month.

Russian manufacturer KAMAZ has kept the leadership of the market, with 34% share of the total volume in November. The sales figure of the company is equivalent to approximately 1900 units - up by 17.9% year-on-year. Another home brand GAZ occupies the second place, with 624 vehicles (+13%). Swedish brand Scania completes the top-three (368, +84%). Japanese Isuzu (326, +21.6%) and Swedish Volvo -the company with highest growth rate- (312, +280.5%) have also made it into the top-five. It should be noted that all of the top-ten brands have achieved to increase their sales last month.

**Ministry of Industry and Commerce has formulated a new strategy on the development of automotive industry**

16.12.2016 / RusAutoNews.Com

The Ministry of Industry and Commerce has presented the updated strategy for the development of the automotive industry, calculated up to the year 2025. As told by the minister Denis Manturov, a production capacity of 3.2 million units of advanced vehicles has been created by Russian car manufacturers and the world's largest auto companies as of today. However, the industry's focus is mostly on the domestic demand, which is down, due to the falling purchasing activity. The output has gone down by 40-45% as a result, as reported by the press office of the Russian Ministry of Industry and Commerce.

The development of exports is the first step. In this aspect, a project has been proposed and already supported by the government, involving long-term support for manufacturers in all stages of entry to target markets. The implementation of the project would allow an increase in automobile supplies to foreign markets by a half, by the end of 2018. The stimulation of the production of auto components at all levels is the second key area. There's a dependency on foreign suppliers in this segment, especially in passenger cars, where the localisation rates of auto components range from 30 to 55%.

According to Denis Manturov, it's planned to put more emphasis on research and development as specified in the strategy, in order to overcome this dependency. The problem is associated with a set of complex measures, as to the building of a new system of vocational qualifications in the automotive industry, taking the global technological trends and challenges into account. The strategy is in synchronisation with the roadmaps of AutoNet and TechNet National Technology Initiative, considering the set of innovations and with regards to the formation of engineering competence.

The ministry expects a 7% rise in production in 2017. The subsidies on automotive industry will also be kept, at the level of 62.3 billion rubles.

**The passenger vehicle prices have risen by 16% in Russia during the year**

05.12.2016 / Autostat

According to the results of a survey conducted by Autostat, the average price of a new automobile amounts to 1.37 million rubles in Russia, as of the end of the January-October 2016 period, which indicates a 16% year-on-year increase. The highest price rise has occurred in Land Rover automobiles, the average price of which increased by 39%. The brand is followed by Japanese Lexus, with 31% average rise. Subaru, Mitsubishi, Audi Mazda and Mercedes-Benz are the remaining brands over the 20% mark.

The average prices of 15 brands have increased within the range of 10-20%, including home brands, such as: Lada and UAZ. The price rise remained below 10% for ten brands. The average prices of three brands went down in contrast, due to changes in sales structures.

## The production of Lada Vesta and Xray has started in Kazakhstan

09.12.2016 / [lada.ru](http://lada.ru)

The production of models from the new generations of Lada Vesta and Xray has been launched at Asia Auto factory in Kazakhstan, alongside Largus station wagon and Granta liftback.

The president of Avtovaz Nicolas Moore has given start to the production: “Kazakhstan is the number one export market for Avtovaz. The development of production in Ust-Kamenogorsk will broaden the horizons in the export policy of Avtovaz. We confidently continue with the construction of the full-cycle plant. I’m sure that the strong partnership between Avtovaz and Bipek Auto - Asia Auto will achieve all the goals.”

The preparation of Asia Auto industrial complex and an audit, conducted in accordance with the quality standards of Renault-Nissan-Avtovaz alliance, have been made prior to the launch of production. Three models of the brand were being manufactured at Asia Auto plant in Ust-Kamenogorsk previously: Lada 4x4 SUV, Lada Granta sedan and Lada Kalina station wagon.

Avtovaz has consolidated its status as the most successful player in the Kazakh automobile market, according to 2015 figures. Out of the total car sales in the country, the share of Lada amounts to 28%.

## Car sales have risen for the first time in two years in Russia

08.12.2016 / [RusAutoNews.Com](http://RusAutoNews.Com)

The sales of new cars and light commercial vehicles have increased by 0.6% year-on-year in Russia in November 2016. The sales increased by 727 vehicles to 132,346 in quantitative terms, according to the AEB Automobile Manufacturers Committee (AEB AMC). 1,279,987 cars have been sold within the January-November period of this year.

Joerg Schreiber, Chairman of the AEB Automobile Manufacturers Committee commented: “November sales produce the first month with a positive year-on-year result in almost 2 years (last time seen in December 2014). It is good to be able to say such a thing after all, but it is far too early to read a trend turnaround into this. For now, all eyes are on December which has the potential to demonstrate that the market continues to move in the right direction”.

LADA has become the best-sold brand in November 2016 - 25,507 units. The figure indicates an 18% year-on-year increase (21,580). Hyundai occupies the second place. The sales of the Korean brand amounted to 15,779 vehicles in Russia in November, following a 4% rise. The November 2015 figure of Hyundai was 15,101 units. The top-two is followed by KIA (14,651), Renault (11,631) and Toyota (8081).



## Great Wall will establish a factory in Tula Region in 2018

03.12.2016 / TASS

Great Wall Motors factory will start car production at Uzlovaya Industrial Park in Tula region in 2018. The relevant statement has been made by the representative of the regional administration Yuri Andrianov to TASS agency. "The production of Great Wall Motors automobiles will start in 2018. Car component manufacturers: plastic, modular and technical, plan to take part in the industrial park, in parallel with the construction of the factory. We'll make some procurement from neighbouring Kaluga, where Volvo and Volkswagen are manufactured. Five automotive manufacturers have already applied to take part in Uzlovaya Industrial Park" - said Andrianov.

Piling work is currently being carried out at the site, according to the source of the agency. "There were delays due to external reasons. We're in a coal region, therefore we came across karst holes where the workshop was planned to be situated, which made additional research necessary. A four months delay has been experienced, however, the plant will be built on schedule, all problems have been solved" - said the head of the Tula region government.

The investment in the project amounts to \$500 million. "Our goal is neither screwdriver production, nor assembly in Uzlovaya, but to reach 70-75% localisation in car production" - said Andrianov. Four models under the brand name of Haval will be manufactured at the factory: H2, H6 Coupe, H8 and the 7-seater H9 - 150,000 vehicles annually. The automobiles manufactured at Tula factory will be put in the Russian market at the first stage.

## Toyota Camry - the best-sold Japanese automobile in Moscow

01.12.2016 / Autostat

According to the survey, Toyota Camry business-sedan is at the top the sales chart, with a market volume of 4400 units for the covered period, indicating a 20% year-on-year increase. Nissan X-Trail occupies the second place, following a 6% rise to 3700 automobiles. Toyota RAV4 comes third with 3500 vehicles, up by 23.5% from last year.

Nissan Qashqai (2900, +54.5%) and Mazda CX-5 (2200, 17.5%) complete the top-five. The rest of the top-ten most popular Japanese vehicles in Moscow within the January-October 2016 period is as follows: Mitsubishi Outlander (1900; -9%), Nissan Almera (1900; -14,5%), Toyota Land Cruiser (1800; -19%), Toyota Land Cruiser Prado (1800 ; +4%) and Lexus NX (1700; +3%).

It should also be noted that Toyota RAV4 crossover is the most popular Japanese model in the primary market of the whole country .

