

## **PwC predicts a 7% growth for the Russian car market in 2017**

27.02.2017 / Interfax

New passenger car sales (excluding LCV) may increase by 7% in Russia in 2017, reaching 1.4 million units, according to a survey.

Oil price forecast has become one of the main factors in the prediction of sales volumes, as noted by PwC. "According to the GI, the average price for Brent crude oil was \$43.3 per barrel in 2016 and the price may rise to \$55 per barrel in 2017 according to the consensus forecast of Bloomberg, which will stimulate new car sales" - as stated by the company.

Customer confidence level and demand stimulating measures taken by the government within the predetermined volume will also have effects on the development of the market.

Experts expect growth in Russian truck market as well in 2017, by 5% to 56,000 units (4% rise in 2016 to 53,000). While increasing pent-up demand and government support measures are amongst the main factors stimulating market growth, the rising vehicle maintenance costs are likely to have the opposite effect.

Russian bus market may grow by 8% in 2017, reaching 11,200 units (up by 15.4% in 2016 to 10,400). Fleet utilisation, preparations for major sporting events, alongside state procurement of buses will help maintain a stable demand in the segment.

## **St. Petersburg factories have manufactured 25,200 vehicles in January**

27.02.2017 / RusAutoNews.Com

According to Auto-Dealer-SPb data, St. Petersburg Hyundai, Nissan and Toyota plants have manufactured 25,200 passenger cars in January 2017, which exceeds the 2016 figures 2.4 times. Production increase was not peculiar to Hyundai only. Toyota enjoyed growth in production thanks to the new model RAV4 and Nissan due to the low base effect of last year and a stable demand for its products. The share of St. Petersburg in Russian car production has risen considerably in January 2017 to 32% (25.6% in 2016).

7 models manufactured in the city are amongst the top-25 most popular cars in Russia, according to January figures: KIA Rio (market number-one), Hyundai Solaris, Hyundai Creta (most popular SUV), Toyota RAV4, Toyota Camry, Nissan Qashqai and Nissan X-Trail.

9 models have been manufactured in St. Petersburg car factories in January 2017 - Nissan Qashqai, Nissan X-Trail, Nissan Murano, Nissan Pathfinder, Toyota Camry, Toyota RAV4, Hyundai Solaris, Hyundai Creta and Kia Rio.

St. Petersburg Hyundai, Nissan and Toyota plants have manufactured 281,500 cars in 2016, which is equivalent to a 9% year-on-year decline.

## **Russia has appealed to the WTO on the LCV dispute with the EU**

22.02.2017 / Finmarket

As announced by the Russian Ministry of Economic Development, the Russian Federation has made an appeal to the WTO on 20 February, challenging the findings of the panel on the dispute with the EU, concerning light commercial vehicles.

“The appeal was made as a result of the opposition of the Russian side against several findings of the arbitrators. The panel has declared the majority of the claims of EU unfounded in the report published on 27 January, however, found inconsistencies with the WTO rules in some aspects of the investigation carried out by the Eurasian Economic Commission. Russia will seek a review on the findings of the panel, as to the violations of WTO rules” - as stated by the Ministry of Economic Development.

As reported by the European Commission at the end of January, the WTO panel of arbitrators has declared the introduction of anti-dumping duties on the import of light commercial vehicles from Italy and Germany to the Customs Union countries illegal.

According to the report, the dispute was initiated by the EU in May 2014, in connection with the anti-dumping measures taken by the Eurasian Economic Union against light commercial vehicles manufactured in Germany and Italy.

## **Car production up by 68% in January**

20.02.2017 / Autostat

According to Rosstat, 78,800 automobiles have rolled off Russian production lines in January, which indicates a 68.8% year-on-year rise.

It should be noted that, Ford Sollers has shifted to five-days-a-week working regime from four days last month, in order to fulfil the production boost programme. In addition, Ulyanovsk Car Factory remained idle almost until the end of January, due to repair and maintenance works.

Truck production amounted to 4400 units last month, following a 24.7% year-on-year shrinkage. KAMAZ and Gorky Car Factory (GAZ), the largest manufacturers of commercial vehicles in Russia, have halted their production lines for the duration of the two weeks corporate holidays, on the other hand.

Finally, bus production has grown by 2.5 times in Russia in January, reaching 702 units.

## **Daimler will invest more than €250 million in the construction of a Mercedes-Benz factory in Russia**

21.02.2017 / [RusAutoNews.Com](http://RusAutoNews.Com)

According to the news published on the official website of Mercedes-Benz RUS, Daimler AG has plans to manufacture Mercedes-Benz cars in Russia for the first time.

SUVs and E-Class sedans will be manufactured at the facility in Esipovo Industrial Park, situated 40km north-west of Moscow, in a flexible operation regime. The manufacturer will invest more than €250 million in the production. The first automobiles will roll off the production lines in 2019.

“Russia is a strategically important and significant market for Mercedes-Benz in terms of sales. Based on this fact, we are expanding our global production network with the construction of the new plant in Esipovo” - said Marcus Schafer, a board member of Mercedes-Benz Cars Division, in charge of production and supply chain management.

The new car factory in Moscow Region will cover all stages of the production process - from bodywork assembly and painting to the final assembly. More than 1000 jobs will be created in the factory. The region will also benefit from the job creation in component production and service provision areas. The facility will be situated partly in the Esipovo Industrial Park. Daimler has already established a new logistic centre for the Russian market, approximately 20km away from the planned car factory, last year.

The production will be carried out by the newly created company: Mercedes-Benz Manufacturing Rus, which is a participant of the Daimler KAMAZ RUS (DK RUS) joint venture, alongside Daimler AG. Daimler has been cooperating with KAMAZ in the DK RUS JV successfully since 2010, manufacturing trucks for the Russian market. The two companies are involved in DK RUS on a parity basis.

As reported previously, Daimler plans to start the construction of the Mercedes-Benz car factory in Moscow Region in 2018. According to a source of Vedomosti, the annual production capacity of the factory is planned to reach 25,000 vehicles.

## **NEFAZ CNG buses will be used during the World Cup**

15.02.2017 / [RusAutoNews.Com](http://RusAutoNews.Com)

A large party of CNG buses, manufactured by NEFAZ, which is a subsidiary of KAMAZ in Bashkiria, has been delivered to the Committee of Transport, Traffic Management and the Development of Road Network in Yekaterinburg. All buses are equipped with Euro-5 standard, 279 hp Daimler M906 LAG gas engines. In addition, GPS/GLONASS navigation systems and destination indicators are also installed in the buses. The official dealer of KAMAZ - GC RariTEK - is the supplier of the vehicles, with the financial support of Gazprombank Leasing.

## **Lifan certifies its electric cars in Russia**

20.02.2017 / [RusAutoNews.com](http://RusAutoNews.com)

Lifan plans to start the certification process of its electric cars in Russia in 2017, as reported by [carscope.ru](http://carscope.ru).

The electric car model range of Lifan is represented by various versions of the vehicle in the Chinese market, manufactured on the basis of different models. 100E, 320E, 320EV, 330EV, 620EV and 820EV are amongst the most famous Lifan electric car models. 820EV, which is based on Lifan 820 business-class sedan, is considered as the flagship Lifan electric car model. The business-class model is also likely to be introduced to the Russian market soon. However, the prototype of the Lifan 820 sedan electric car will arrive in RF in spring 2017.

The dimensions of the Lifan 820EV electric car are 4865 x 1835 x 1480 mm. The vehicle can travel approximately 400km on a single charge. The maximum velocity of the electric sedan is 150 km/h. The aforementioned dynamics of the model are provided by a 190 hp electric engine, with a maximum torque of 440 Nm.

Lifan has become the leader of the Russian market amongst Chinese car manufacturers for the sixth time, with a sales figure of 17,461 vehicles. The sales increase of the brand has reached a record level with 15.4%, the best result in the Russian car market, according to Lifan Motors Rus.

## **Isuzu is getting ready for the launch of heavy truck production in Ulyanovsk**

14.02.2017 / [Finmarket](http://Finmarket)

Isuzu plans to start the production of heavy trucks at the end of February 2017, at its production site in Ulyanovsk, as told by the general director of Isuzu Rus (affiliate of Isuzu Motors in Russia) Fabrice Gorlier to Interfax.

“We will launch the production of C&E Series heavy-duty trucks at the end of February. However, we already have a number of orders, therefore, we believe that the sales will begin in March”, he said. Gorlier refers to chassis and 6x4 semi-trailer tractors.

According to Gorlier, the company expects to manufacture 400 heavy trucks with SKD method this year, in addition to approximately 700 medium-duty trucks.

There are plans to increase the annual production of 2700 vehicles made in the facility in Ulyanovsk last year to 3500 in 2017, as stated by Gorlier during today’s press conference in Moscow. The total annual production capacity of the plant is 5000 vehicles.

## **Avtovaz has localised the Renault-Nissan HR16 engines**

16.02.2017 / RusAutoNews.Com

Avtovaz has received the approval for the full-cycle production of HR16 engines from Renault-Nissan Alliance. The corresponding document has been signed by the authorised bodies of the Alliance, following a technological audit and tests on serial production.

The casting of the core elements of HR16 engines has been mastered in Avtovaz in January 2017 - blocks and cylinder heads, tooling of aluminium parts, as well as crankshaft processing. Thereby, Avtovaz and Renault-Nissan Alliance have maximised the localisation rate of HR16 engines, which are assembled in Tolyatti. HR16 is currently the only foreign engine manufactured in Russia at such a high level of local production.

Aluminium casting settings and automatic lines for the tooling of HR16 details have been installed in Avtovaz, for new production operations. The annual production capacity is 150,000 engines. The quality of the engines manufactured at Avtovaz has been approved by an audit conducted by the Alliance in January 2017.

As one may remember, the first stage of the localisation of HR16 engines was carried out 18 months ago, when the assembly of the engines was mastered at Avtovaz, in the new shop. K4 Alliance engines and mechanical gearboxes are also assembled at the facility.

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