

## Auto industry in Russia

The automotive industry is one of the most socially important sectors of the Russian economy. All world car brands are presented in Russia. The largest companies are light vehicle producers AvtoVAZ and GAZ, while KAMAZ is the leading heavy vehicle producer. Foreign carmakers have production and construction plants in Russia.

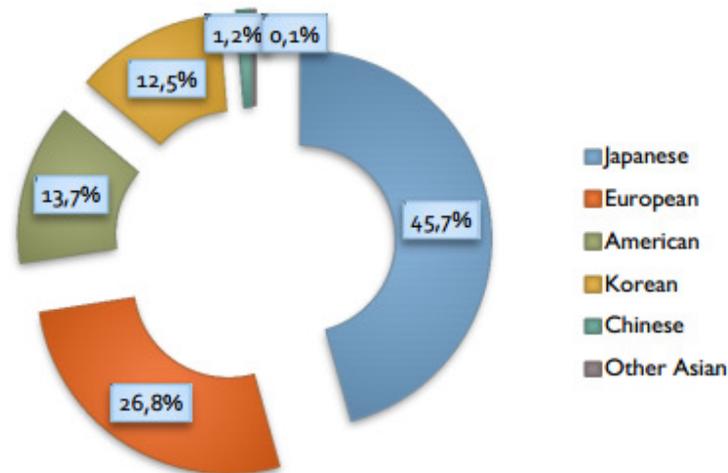
**Table: TOP-10 CAR MANUFACTURERS IN RUSSIA**

№	Name	Region	Turnover, mlnRUB, 2014
1	LLC Volkswagen Group Rus INN 5042059767	Kaluga Oblast	230 583
2	OJC AutoVAZ INN 6320002223	Samara Oblast	189 370
3	LLC Nissan Manufacturing Rus INN 7842337791	Saint-Petersburg	152 033
4	CJC Renault Russia INN 7709259743	Moscow	110 592
5	PAO KamAZ INN 1650032058	Republic of Tatarstan	104 389
6	LLC Ellada Intertrade INN 3906072056	Kaliningrad Oblast	91 640
7	LLC Hyundai Motor Manufacturing Rus INN 7801463902	Saint-Petersburg	85 392
8	LLC Automobile Plant Gaz INN 5250018433	Nizhny Novgorod Oblast	59 278
9	LLC Ford Sollers Holding INN 1646021952	Republic of Tatarstan	54 888
10	CJC Autotor INN 3905011678	Kaliningrad Oblast	40 967

## LIGHT VEHICLE

The light vehicle market shows the leading positions of passenger cars from Japan. There are 6.69 million of these vehicles. They occupy about a half (45.7%) of the foreign car park. Then go European cars with 3.92 million units. Currently, over a quarter (26.8%) of the foreign car park belongs to them, but they are losing their share every year, mostly due to the increment of the American (13.7%) and Korean (12.5%) cars, whose aggregate number is comparable to the "Europeans" (3.83 million units). The share of the Chinese brands is also gradually increasing, but it is still small (1.2%). There are no more than 180 thousands of Chinese cars in Russia.

Diagram: LIGHT VEHICLE MARKET BREAKDOWN BY BRAND ORIGIN, %



The greatest number of light vehicles are registered in the Central Federal District (10.05 million units), which 29.5% of the whole park belongs to. The Volga FD stands second in the rating with 18.7% (6.38 million units). The third position in the number of light vehicles is occupied by the Siberian FD – 4.31 million units (12.7%). There are the fewest light vehicles registered in the Far East (1.91 million units) and Northern Caucasus (1.55 million units).

The most car-packed cities of Russia are those of the Far Eastern region and Siberia: Vladivostok, Irkutsk, Surgut and Tyumen. While in Moscow only one third of the officially registered population drive cars, in Vladivostok, for example, every third resident is a car owner. The fact that the greatest number of car owners is in the Siberian and Far Eastern cities is not so much the sign of people earning more as the availability of almost new or very used right-hand drive cars from Japan. About 50% of the light vehicle park in the Far East falls on the Toyota brand. Overall, 87% falls on the share of Japanese brands.

The most widespread foreign car brand is Ford, 191.8 thousand units. Then goes Nissan, whose park has increased almost 10% over a year and reached 179.2 thousand units. Toyota is at the third place (173.8 thousand units).

The "freshest" cars are concentrated in the center of the RF and in the Volga region. The mean age of the cars there is 0.6 years and 10.4 years, respectively. And the oldest ones are registered in the Far East (17.7 years) and in Siberia (14.3 years).

## HEAVY VEHICLE

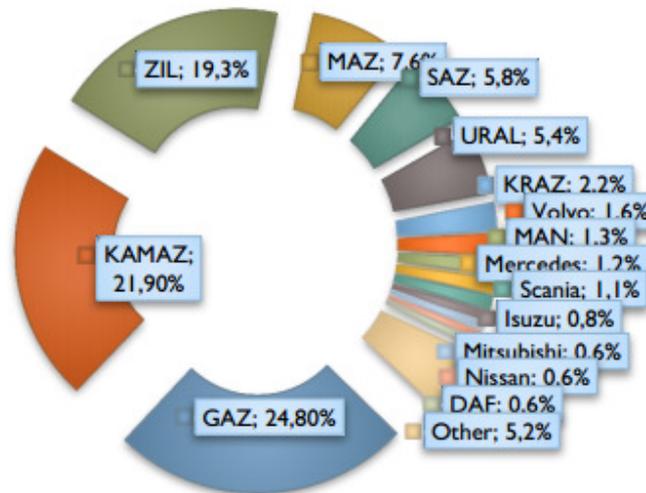
Russia's largest tractor maker, and one of the largest machine building companies in the world, is [Concern Tractor Plants](#), located in [Cheboksary Chuvash Republic, Russian Federation](#). The company produces machinery for the industrial, military, agricultural, municipal building and railway sectors, including tractors, harvesting machinery, components and spare parts.

The greatest share of the heavy vehicle among foreign brands belongs to Volvo, 1.6%. MAN is the second in the share size, 1.3%. The shares of Mercedes Benz and Scania are somewhat over 1%, and other brands have smaller shares in the truck park. Mercedes and MAN have strong positions in the central region of Russia, the North-Western part of the country is typical of high percentage of Scandinavian brands Volvo and Scania, and the Far Eastern park sees a domination

of medium and heavy trucks of Japanese companies including with right-hand drive: Nissan, Mitsubishi and Isuzu.

The overall heavy vehicle park is renewed less frequently than all the other parks: every second truck in Russia is over 20 years old (51.23% of the heavy vehicle park). The vehicles aged less than 6 years account for 12.28% in the age structure of the heavy vehicle park, and 2.53% of them are aged less than 1 year. The share of vehicles aged 6 to 10 years in the truck park is 10.06%

Diagram: HEAVY VEHICLE MARKET BREAKDOWN BY BRAND, %



## VEHICLE PRODUCTION CONDITIONS

The development of the car-making industry in Russia is to a larger extent connected with the measures the Russian Government has taken over the past ten years. The state takes considerable measures to develop this industry sector. However, the today's situation may be characterized as an ambiguous one. On the one hand, there is an explosive market growth, which is also due to the growth in the consumers' purchasing power, the development of consumer lending, new global players entering both car-making and automotive component production sectors. On the other hand, the share of Russian manufacturers in the car market is steadily shrinking despite all efforts of the Government aimed at reviving the Russian car-making industry.

Today, one can point out several ways for the development of the car-making sector of the economy. First of all, currently, the cluster automotive system is being established in Russia. Federal and regional authorities follow the policy of developing the car-making territories with due account for the experience of foreign countries where automotive clusters are among the key factors providing for the success of the car-making industry, whereas the establishment of sectorial clusters is highly beneficial for all of their participants.

Under an automotive cluster, a group of geographically localized interdependent industrial companies, equipment, component part and service suppliers; infrastructural assets: research and development institutes, institutes of higher education, industrial parks, business incubators and other auxiliary organizations contributing to each other's and the whole cluster's competitive benefits. The representatives of a cluster receive certain tax abatements, as well as administrative and infrastructural benefits.

Table: CARMAKERS IN RUSSIA

Name	Location	Year of foundation	Parent company	Car Types	Produced by the brand and model
AvtoVAZ	Togliatti	1966	Alliance Rostec Auto B.V. (joint venture Rostec and Renault-Nissan ;76,25%)	Cars	Lada Kalina, Lada Granta, Lada Largus, Lada Priora, Lada 4x4, Nissan Almera G11, Datsun On-do, Renault Logan 2-nd generation, Renault Sandero 2-nd generation
GM-AvtoVAZ	Togliatti	2002	joint venture General Motors (41,61%), AvtoVAZ (41,61%) and European Bank for Reconstruction and Development (16,78%)	Cars	Chevrolet Niva
PSA Bronto	Togliatti	1993	AvtoVAZ	Collectors cars, ATVs based Lada 4x4, Chevrolet Niva	Bronto
PSA VIS-Avto	Togliatti	1991	AvtoVAZ	Light commercial vehicle based Lada Granta, Lada Samara and Lada 4x4	VIS-2346, VIS-2347, VIS-2349
United Auto Group (former IZHAvto)	Izhevsk	1965	AvtoVAZ	Cars	Lada Granta, Nissan Sentra
GAZ	Nizhny Novgorod	1932	GAZ Group (100%)	Light commercial vehicle, minibuses	GAZ :GAZelle, GAZelle Next, GAZ Sobol, GAZ Valdai, GAZ-3309, GAZ Sadko, GAZon Next

					Skoda :Škoda Yeti, Škoda Octavia, Volkswagen :Volkswagen Jetta, Chevrolet :Chevrolet Aveo, Mercedes-Benz :Mercedes-Benz Sprinter Classic (1-st gen) panel van and minibus
UralAZ	Miass	1941	GAZ Group (100%)	Medium and heavy trucks terrain (including the army), road trucks, truck buses	Ural-4320, Ural-5323, Ural-3255, Ural-6370, Ural-6368, Ural-6470
PAZ	Pavlovo	1932	GAZ Group (100%)	small, medium buses, school buses, buses terrain	PAZ-3205, PAZ-3206, PAZ-3204, PAZ-3234, PAZ-3237
KAVZ	Kurgan	1958	GAZ Group (100%)	Medium buses, school buses	KAVZ-4235, KAVZ-4238
LiAZ	Likino-Dulyovo	1937	GAZ Group (100%)	Large city buses, school buses, articulated buses	LiAZ-5256, LiAZ-5292, LiAZ-5293, LiAZ-6212, LiAZ-6213
GOLAZ	Maliye Vyazyomy, Odintsovsky District, Moscow Oblast	1990	GAZ Group (100%)	Intercity buses and coaches	GOLAZ-5251 Voyage, GOLAZ-52911 Cruise, LiAZ-GOLAZ-5256, GOLAZ-6228 Voyage

Kamaz	Naberezhnye Chelny	1969	Rostec (49,9%), Avtoinvest Limited (20,81%), Daimler AG(11%), KAMAZ International Management CO., L.P.(4,25%),European Bank for Reconstruction and Development (4%), Financial and leasing company "KAMAZ" (3,72%), Decodelement Services Limited (2,73%) ;individuals (above 76000)	Medium and heavy trucks, army trucks	KAMAZ
NefAZ	Neftekamsk	1972	Kamaz (50,02%),Republic of Bashkortostan(28,5%)	trailers, dump trucks KAMAZ, large buses and coaches	KAMAZ, NefAZ-5299, VDL-NefAZ-5299
Kamaz-Marko	Neftekamsk	2012	joint venture Kamazand Marcopol o S.A.	small buses	Bravis
UAZ	Ulyanovsk	1941	Sollers JSC (80%)	SUV, Light commercial vehicle	UAZ Hunter, UAZ Patriot, UAZ-2206/3303/3909/3962
Sollers-Isuzu	Ulyanovsk	2006	Sollers JSC	Light commercial vehicle	Isuzu N-Series
Ford-Sollers	Elabuga	2011	joint venture Sollers JSC (50%) and Ford Motor Company (50%)	Cars, Light commercial vehicle	Ford Kuga, Ford Explorer, Ford Galaxy, Ford S-Max,Ford Edge, Ford Transit
Ford-Sollers	Vsevolozhsk	2002	joint venture Sollers JSC (50%) and Ford Motor Company (50%)	Cars	Ford Focus, Ford Mondeo
Sollers-Dalnyi Vostok	Vladivostok	2009	Sollers JSC	Cars	SsangYong :SsangYong Actyon, SsangYong Actyon Sports, SsangYong Kyron, SsangYong Rexton,

					Mazda :Mazda 6, Mazda CX-5, Toyota :Toyota Land Cruiser Prado
ZIL	Moscow, Petrovsk	1916	Executive of Moscow	Medium and heavy trucks, small buses, fire trucks	ZIL-4333, ZIL-4331, ZIL-4329, ZIL-5301, ZIL-4327, ZIL-3250
BAZ	Bryansk	1958	none	tractors and wheel chassis dual-use (military and civilian), crane chassis	BAZ
Chechen Avto	Argun, Chechen Republic	2008	none	Cars	Lada Priora
IMS	Gzhel, Moscow Oblast	2007	Irito	SUV	Great Wall Hover H3, Great Wall Hover H5
Avtotor	Kaliningrad	1996	none	Cars, Light commercial vehicle	Kia :Kia Cee'd, Kia Cerato, Kia Optima, Kia Quoris, Kia Venga, Kia Soul, Kia Sportage, Kia Sorento, Kia Mohave,  Opel :Opel Astra Family (3rd gen), Opel Astra J (three-door and station wagon), Opel Insignia, Opel Meriva, Opel Zafira Family (2-nd gen), Opel Zafira Tourer (3-rd gen), Opel Mokka, Opel Antara,

					<p>Chevrolet: Chevrolet Malibu, Chevrolet Orlando, Chevrolet Captiva, Chevrolet Tahoe, Chevrolet Cruze Station Wagon,</p> <p>Cadillac :Cadillac CTS, Cadillac SRX, Cadillac Escalade,</p> <p>Hyundai :Hyundai i40, Hyundai Equus,</p> <p>BMW :BMW 3 Series Sedan, BMW 5 Series Sedan, BMW 7 Series, BMW X1, BMW X3, BMW X5, BMW X6,</p> <p>Commercial vehicle :Hyundai HD65</p>
Volzhanin	Volzhsky	1993	none	medium, large and articulated buses, intercity buses and coaches	Volgabus Cityrithm, Volgabus Rhythmix, Volgabus Dolphin, Volgabus Delta
Fuso KAMA Z Trucks Rus	Naberezhnye Chelny	2010	joint venture Mitsubishi Fuso Truck and Bus Corporation and Kamaz	Light commercial vehicle	Mitsubishi Fuso Canter
BAW RUS Motor Corp.	Ulyanovsk	2008	joint venture AMS Group and BAW	light, medium trucks and small buses	BAW Tonik, BAW Fenix, BAW Street
ST Nizhegorod etz	Nizhny Novgorod	2007	Nizhegorodetz	Minibuses (refurbishment of panel vans by licensed)	Ford Transit, Iveco Daily, Fiat Ducato, Peugeot Boxer, Citroen Jumper, Renault Master

PKF Luidor	Nizhny Novgorod	2008	Luidor	vans and special equipment based on panel vans	Volkswagen Crafter, Mercedes-Benz Sprinter, Iveco Daily
Kuzbassavto	Drachenino, Leninsk-Kuznetsky District, Kemerovo Oblast	2010	MARR TEC	small buses	Hyundai County
Derways	Cherkessk	2003	Mercury (49%), Sberbank of Russia(51%)	Cars	Lifan: Lifan Smily, Lifan Solano, Lifan 520, Lifan X60, Geely :GEELY MK, Geely Emgrand EC7, Luxgen :Luxgen7 SUV, Brilliance :Brilliance V5, Jianghuai Automobile :JAC S1, JAC S5

#### FOREIGN COMPANIES

Company	Location	Year of foundation	Car Types	Produced by the brand and model
Hyundai	Saint Petersburg	2010	Cars	Hyundai Solaris, Kia Rio
Nissan	Saint Petersburg	2007	Cars	Nissan Teana, Nissan X-Trail, Nissan Murano, Nissan Pathfinder fourth generation (R52)
Toyota	Saint Petersburg	2007	Cars	Toyota Camry
Scania AB (plant Scania-Piter )	Saint Petersburg	2002	Trucks	Scania P, R, G

MAN Truck & Bus	Saint Petersburg	2013	Trucks	MAN
General Motors	Saint Petersburg	2008	Cars	Chevrolet Cruze Sedan and 5-door hatchback, Opel Astra J Sedan and 5-door hatchback, Chevrolet TrailBlazer
Renault (plant Avtoframos)	Moscow	1998	Cars	Renault Logan 1-st generation, Renault Sandero 1-st generation, Renault Duster, Renault Fluence, Renault Mégane 5-door, Renault Latitude, Renault Koleos
Volkswagen Group	Kaluga	2007	Cars	Volkswagen :Volkswagen Polo Sedan, Volkswagen Tiguan, Volkswagen Touareg, Volkswagen Multivan,  Skoda :Škoda Fabia,  Audi :Audi A6, Audi A7, Audi A8, Audi Q5, Audi Q7
Peugeot Citroën Mitsubishi Alliance (PCMA)	Kaluga	2010	Cars	Peugeot 408, Citroën C4, Mitsubishi Outlander, Mitsubishi Pajero Sport
Volvo Vostok	Kaluga	2009	Trucks	Volvo FH, Volvo FMX, Volvo FM, Renault Premium, Renault Kerax
Caterpillar Inc.	Tosno	2000	Rigid Dump Trucks	Caterpillar
Komatsu Limited	Yaroslavl	2010	including rigid dump trucks	Komatsu
Mercedes-Benz (plant Mercedes-Benz Trucks Vostok)	Naberezhnye Chelny	2010	Trucks	Mercedes-Benz Axor, Mercedes-Benz Actros, Mercedes-Benz Unimog
Iveco (plant Iveco AMT, former joint venture Iveco-UralAZ)	Miass	1994	Trucks	Iveco Trakker, Iveco Stralis

According to the analytic agency "AUTOSTAT" in 1<sup>st</sup> quarter 2016 year, due to the low rate of the Russian ruble against foreign currencies the weighted average price of a new car in Russia was 1.35 million rubles, which is more by 18% than in the same period of 2015. The price increased most of all for Land Rover, the weighted average price of which grew by 56%. It is followed by the Japanese Lexus and Mitsubishi, whose products became more expensive by 39% and 31% in average, respectively. Barrier of 20% was overcome by Mazda, Audi, Mercedes-Benz and Subaru. Thirteen brands increased the weighted average price in the range of 10 - 20%. Among them there are also domestic brands - LADA and UAZ (+ 16% and + 15%, respectively). We should note also that some brands have a decline of average prices, which is associated with changes in sales structure: Ford (-1%), SsangYong (-4%), Volkswagen (-6%), Chevrolet (-8%).

**CAR BRANDS THAT ARE AFFORDABLE FOR BUYERS ON THE PASSENGER CAR MARKET ACCORDING TO BUDGET (BOTH NEW AND USED)**

RUB '000	Primary market		Secondary market		
			Three years		Seven years
100 - 300			 25 - 50 Lada Priora	 50 - 100 Lada Priora	 50 - 100 Lada 2114
300 - 500	 Lada Granta	 Lada 4x4	 25 Lada Granta	 25 - 50 Hyundai Solaris	 50 - 100 Ford Focus
500 - 750	 KIA RIO	 Renault Duster	 < 25 Hyundai Solaris	 25 - 50 Chevrolet Cruze	 50 - 100 Skoda Octavia
750 - 1,000	 Skoda Octavia	 Nissan Terrano	 25 Opel Mokka	 25 - 50 KIA Sportage	 50 - 100 Toyota Camry
1,000 - 1,500	 Hyundai i40	 Mitsubishi Outlander	 25 Toyota Camry	 25 - 50 Toyota RAV4	 100 - 150 Mercedes E
1,500 - 3,000	 Mercedes C	 Lexus NX	 25 Toyota LC Prado	 50 - 100 Toyota LC	 100 - 150 Toyota LC
> 3,000	 Mercedes E	 Toyota LC	 25 Toyota LC	 50 - 100 Lexus LX	 25 - 50 Toyota LC

x x - x x

- '000 km travelled

<sup>1</sup> For models with more than 250 advertisements posted on Avito Auto in 2015

## MOST LIQUID USED MODELS IN 2015

In the autumn of last year, "AVTOVAZ" presented the "X" series cars. First came the "Vesta" sedan, and recently a crossover "Lada X-Ray" saw the light of day. The Russia automobile enthusiasts liked the new Ladas, as evidenced by the demand for these cars.

Many experts noted that the "X" series is in no way inferior, and in some things even surpasses its foreign counterparts. This was confirmed by increased competition between manufacturers for the market of affordable cars.

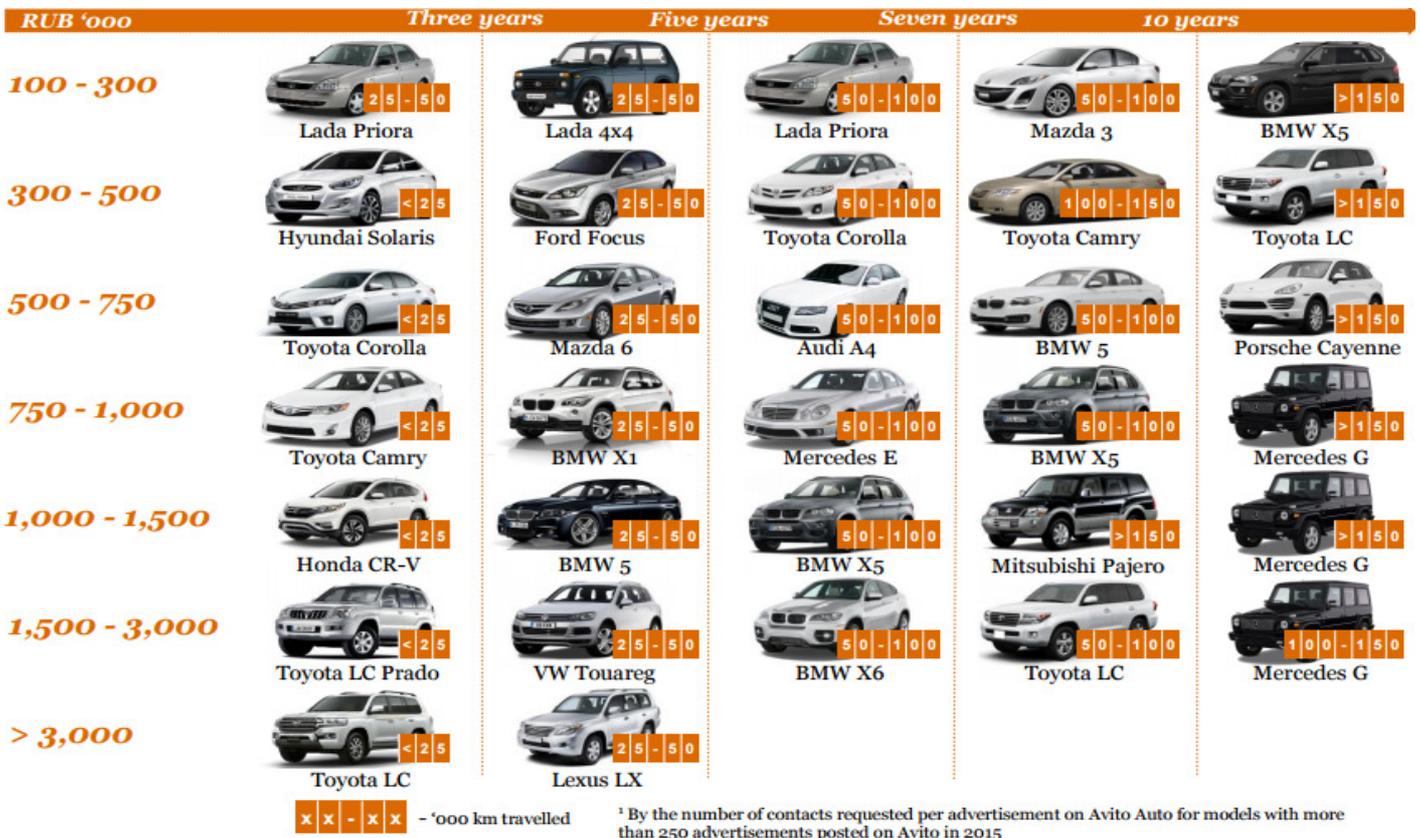
But Russia also produces "KAMAZ" - multiple Champions of the Paris-Dakar rally races. The KAMAZ is rightfully considered one of the best trucks. And now the domestic auto industry proudly presents the car for the top leadership of the country.

The Russian President has repeatedly stressed the importance of the creation of Russian vehicles that meet the highest standards of safety and comfort.

**The New Cortège Limousine Will Ensure the Security of the Russian President. Known as "Project Cortège,"** the plan involves several Russian automakers and, according to reports in Russia engineering input from Porsche.

Among the countries that have their own car manufacturing industries, custom vehicles for heads of state are only made in the United States, the United Kingdom, Japan, China, and South Korea. The leaders of Germany, France, and Italy ride in domestic cars, however, they are not custom-made, but rather slightly modified models.

These days, there is no Russian-made car in the Russian president's motorcade, but at one time, the country's leaders used to ride around exclusively in individual armored limousines produced in Russia. Since manufacturing began



in the 1930s, these cars have always been at the Moscow ZIL factory ('ZIL' stands for Zavod imeni Likhachova, "Factory named after Likhachov")

Vladimir Putin will swap his ride for the special armored Russian-made car project "Cortege" in the beginning of 2018. The "Cortege" is a project that aims to produce cars for the transportation of the first persons of State. Currently, 4 types of cars have been produced in the framework of this project: a limousine, a sedan, a SUV. and a minivan.

Minister of Industry and Trade Denis Manturov reported that some prototypes are already being tested. We are testing the limousine for about a year. All standard and certification tests will be completed in 2017, after which the cars will go into production.

In the first year it is planned to produce 200 cars. By 2020 it is planned to increase production to 4,000-5,000 cars of each type per year. Initially, the cars of the "Cortege" project will be assembled in the Central Scientific Research Automobile and Automotive Engines Institute, and later the "Sollers" company production facilities will start its serial production.

The Russian Defense Ministry already expressed their interest in the procurement of the "Cortege" armored vehicles. Cars of the "Cortege" project will also be available for sale. Thus, private clients will be enjoy the presidential level of comfort and security.

The Cortege project will provide Russian-made vehicles for the transportation of top Russian government officials — 3.7 billion rubles (\$54 million) was allocated to the project this year, RIA Novosti reported.

The contract to build the engines for the Motorcade project has been awarded to Porsche Engineering Group (PEG), a subsidiary of Porsche AG, with the German company being preferred over AVL (Austria), Ricardo (Great Britain) and FEV (Germany). The first engine Porsche Engineering Group will build is a V12 turbo engine with a capacity from 6.0 to 6.6 liters, said to deliver approximately 800 horsepower.

This flagship engine will most likely equip the presidential limousine, but V8, V6 and even four-cylinder engines will reportedly be built to power the rest of the vehicles from the Motorcade project. Engine production will take place at the ZMZ plant in Russia using domestic components.

Currently, Putin and his entourage rely on stretched Mercedes-Benz S-Class sedans for official transportation.

As for the design of the presidential limousine, one of the variants has been published:



Putin's new limo: Other Russian-made designs



### **SPECIFIC CHARACTER OF THE RUSSIAN VEHICLE BUYER**

For the Russian buyer, an important motive for buying a car is a wish to belong to a certain society stratum with certain behavior and expenses speaking of the person's solvency and success. Therefore, the buyers pay much attention to the car brand, and they want to have the most prestigious one. However, the second group of the motivators includes the reliability, price and spare parts availability. This suggests that for the majority, the car is nothing more than a means of transport.

The prospective buyers show less interest in the Russian car brands, there is more interest in the foreign brands. The number of assembly plants in Russia is increasing. This is both through constructing brand's own facilities and partnering with Russian automotive assembly companies.

As per the data from PricewaterhouseCoopers (and also from a series of research institutions), an average time of car ownership in Russia is 3-4 years, while in the U.S., China and India it is 5 years, in Japan it is 5 years, and in Germany and Canada it is 7 years.

## **AUTOMOTIVE COMPONENT MARKET**

Most automotive components and spare parts for foreign cars are not made in the country, but are imported from abroad. Besides, the Russian market has very many unoriginal and counterfeit components and spare parts.

The sale of spare parts goes through the following channels: official dealers and service stations (20–30%), retail chains and large spare parts stores (35–45%), marketplaces and small garage-based shops (30–40%). Recently, there has appeared a trend towards the switch in selling spare parts from marketplaces to specialized stores, including those with the use of Internet trade.

Production structure of spare parts, original products cover 20–30%, analogs – 40–60%, counterfeit spare parts – 20–30%. The most popular products in the market are analogs made under companies' own brand names and often "approved" by carmakers. Apart from the official market, Russia also have an unofficial, "grey" market that imports spare parts directly from Korea, China, and the Philippines – from all world brands".

The most capacious segments in the market of automotive components are tires, units and details of suspensions, oils and filters, as well as details for the braking system, transmission, steering system and electric equipment.

According to a recently report, the tyre market in Russia is expected to grow at 13% in terms of volume during to 2018. The passenger car segment accounts for the majority share in the country's tyre market. The Russian tyre market is witnessing an increase in the number of tyre manufacturing facilities being set up by the foreign manufacturers. Major global tyre manufacturers such as Nokian, Bridgestone, Yokohama, Goodyear, Pirelli, etc. are either expanding their existing production capacities in Russia or setting up new production units in the country.

Actual problem of the modern market of automobile spare parts in Russia is the problem of counterfeit production. The share of illegal automobile components in the market of spare parts in Russia makes from 30 up to 90 % depending on the name. The damage from realization of counterfeit production is rather significant, in a money's worth it makes about 2 billion US dollars per one year. It is remarkable, that the primary share in a sales volume of counterfeit production is made with spare parts to automobiles of a domestic production. Counterfeit components put a significant loss of reputation of auto manufacturers and suppliers of original spare parts. As a rule, most often counterfeited consumable parts are: suspension brackets, steering drafts, bars, brake pads and naturally every possible lubricating oils. (Source: [http:// auto.nnov.ru/autonews/russia/?id=3239](http://auto.nnov.ru/autonews/russia/?id=3239)).

Characterizing a modern situation in sphere of consumption of automobile spare parts in the Russian market it is necessary to note, that today two basic segments of the market of spare parts – segments of spare parts to domestic automobiles and foreign cars – develop with a different degree of intensity. The market of domestic auto spare parts differs stability and balance of a supply and demand, here practically is not observed deficiency of automobile spare parts. In a segment of auto spare parts for foreign cars excess of demand over the offer and deficiency of the goods is observed.

It is remarkable, that the basic part of counterfeit and poor-quality production is submitted in a segment of spare parts to domestic automobiles, among spare parts to foreign cars the share of such production is much lower. However in a segment of foreign auto spare parts it is a lot of spare parts, second-hand, they create a competition to original automobile spare parts as cost much more cheaply, and quality cannot concede to originals practically. With reference to spare parts for foreign cars it is necessary to note, that demand for second-hand spare parts is connected also by that delivery of original spare parts can occupy rather significant time – from one week about 2-3 weeks, depending on region of delivery. For realization of effective activity to

the companies realizing spare parts for foreign marks of automobiles, it is necessary to adjust the effective network of deliveries providing efficiency of delivery of auto spare parts under the order.

In a segment of spare parts to foreign cars the most claimed in the Russian market are spare parts for the Japanese automobiles. The given fact is connected to popularity concerning inexpensive and qualitative marks of the Japanese automobiles. The most popular marks are Toyota, Honda, Mazda, Nissan and some other.

Retails of automobile spare parts in Russia now more than 7 thousand service centers on maintenance service of automobiles, thus the markets and small shops continue to keep a significant part of retail commodity circulation. Some service centers realize auto spare parts for domestic automobiles, others - for foreign cars. In the Russian market are submitted and the specialized services which are engaged in replacement of auto spare parts in lorries, deliver only auto spare parts on the Japanese automobiles, for the American or German marks of automobiles, and also the companies which realize simultaneously auto spare parts wholesale and retail, or separately (see [http:// www.spscompany.ru/rynok\\_zapchasti/](http://www.spscompany.ru/rynok_zapchasti/)).

In general, trade in auto spare parts and complete set of car-care center necessary auto spare parts, accessories and auto chemistry now in Russia is favorable business.

### AUTOMOTIVE COMPONENT MANUFACTURERS IN RUSSIA

There are about 338 companies manufacturing automotive components in Russia. Of them, 72 are foreign companies and 266 – Russian ones, many of which have a joint venture with foreign partners.



Source: Russian Association of Automakers

## AUTOMOTIVE TRADE EXHIBITIONS IN RUSSIA

Name	Place   Dates	Exhibitor Profile
Tires & Rubber Expo	Expocentre Fairgrounds  Moscow, Russia   18-21 Apr 2016	Profile for exhibit include tires for all kinds of wheels, equipment and technologies for their manufacturing, synthetic rubber, equipment and raw materials for synthetic rubber manufacturing, rubber industrial products and rubber goods, research programs and information, tire trade and service, disks, chains and studs, synthetic fibres, technical textile, steel cord, tire retreading, repair and recycling technologies, specialized editions.
International Exhibition of Auto-components suppliers and intersectoral cooperation	Sokolniki Exhibition and Convention..  Moscow, Russia   18-20 May 2016	International Exhibition of Auto-components suppliers and intersectoral cooperation is a 3 day event being held from 18th May to the 20th May 2016 at the Sokolniki Exhibition and Convention Centre in Moscow, Russia. This event showcases products like Cars of domestic assembly, Automotive units and components, original spare parts and accessories, Raw, materials, tools, Rig, equipment, machines, technologies for components etc. in the Automotive industry.
MotorExpoShow	Siberia International Exhibition Business..  Krasnoyarsk, Russia   18-22 May 2016	MotorExpoShow is a 5 day event being held from 18th May to the 22nd May 2016 at the International business and exhibition center Siberia in Krasnoyarsk, Russia. This event showcases products like automobile premiers, components and services, as well as transport industry achievements. The exhibition comprises a business programme for manufacturers and retailers from the automobile industry, and specialists and investors as well etc. in the Automotive industry.
International Exhibition of Automotive Parts, Components, Car Maintenance Equipment and Products	Expocentr Moscow  Moscow, Russia   22-25 Aug 2016	Automechanika Moscow is a 4 day event being held from 22nd August to the 25th August 2016 at the Expocentr Moscow in Moscow, Russia. This event showcases products like Vehicle parts and components of the drive, chassis, body, electrics and electronics groupsVehicle parts and components of the drive, chassis, body, electrics and electronics groups etc. in the Automotive industry.  Profile for exhibit include Vehicle parts and components of the drive, chassis, body, electrics and electronics groupsVehicle parts and components of the drive, chassis, body, electrics and electronics groups.
International exhibition of automotive industry INTERAUTO	Crocus Expo  Moscow, Russia   25-28 Aug 2016	International exhibition of automotive industry INTERAUTO is Russia's leading trade fair for Automobile industry, which will be held at Crocus Expo International Exhibition Center between 25 to 28 Aug 2016. Automotive components, spare parts; Care products and chemistry, Accessories; Car audio and video electronics will be targeting manufacturers, importers & exporters of Vehicle accessories, special

		equipment, tuning, performance systems, design refinement.
Moscow International Automobile Salon	Crocus Expo International Exhibition..  Moscow, Russia   24 Aug-04 Sep 2016	Passenger Cars & Commercial Vehicles, Coach Builders & Auto Bodies, Two & Three Wheelers, Auto Components, Batteries, Oil & Lubricants, Alternative Fuel & Fuel Systems, Garage / Service Station Equipment & Tools, Tyres & Tubes, Auto Accessories, Car Finance, Insurance & Services, Research & Developments, Publications.
Automotive Industry Automotive components	USK Olymp  Tolyatti, Russia   05-07 Oct 2016	Automotive Industry Automotive components is a 3 day event being held from 5th October to the 7th October 2016 at the USK Olymp in Tolyatti, Russia. This event showcases products like Car units, spare parts, accessories and materials for their production, Tires and rubber products, Avtomasla, cosmetics and paints, Manufacturing equipment, parts and accessories and more etc. in the Automotive industry
Autocomplex	Expocentre Fairgrounds  Moscow, Russia   01-03 Nov 2016	Autocomplex is a 3 day event will be held from 1st November to 3rd November 2016 at the Expocentre Fairgrounds in Moscow, Russia. This event will provide unique opportunity to purchase the best and most up-to-date equipment from leading manufacturers in the segment of filling stations and road service.
Autoprom Russia	ExpoForum Convention and Exhibition..  St. Petersburg, Russia   14-16 Mar 2017	Autoprom Russia is a 3 day event being held from 14th March to the 16th March 2017 at the ExpoForum Convention and Exhibition Centre in St. Petersburg, Russia. This event showcases products like Metal and light-weight constructions / bodies, Drive control / assembly / chassis, Electrics / electronics / mechanics, Plastic and rubber components / modules, chemical products, Paints and lacquers, other materials and technologies, Textile, Automotive glass, Logistics / production, Information technologies etc. in the Automotive industry.

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