



INDUSTRIAL COMMITTEES

# CONSTRUCTION EQUIPMENT COMMITTEE



**CHAIRMAN:**

ANDREY KOMOV,  
VOLVO CE RUSSIA & CIS

The Construction Equipment Committee was established in February 2008. Its primary goal was to organize a forum where industry representatives could discuss their common problems and take joint actions to address issues of interest for companies operating in Russia.

The Committee's focus areas include:

- › exchanging statistical data on the sales of equipment to customers across Russia. Statistical data can also be obtained from other trade organizations, but it does not include sales breakdowns by geographical regions or industries;
- › discussing and coordinating actions concerning the organization of the national equipment exhibition;
- › intensifying cooperation and establishing an uninterrupted communication channel with Russian state authorities on the following matters: developing technical and safety standards; import duties, customs regulations, and introduction of a scrappage fee; developing production localization criteria.

**MARKET OVERVIEW**

The market is currently showing active recovery. After a significant downturn in 2014, the market has developed at a slow pace in recent years.

Significant pent-up demand was accelerated by post-quarantine recovery needs and implementation of large infrastructure and construction projects. The Russian market began to recover at the same time as global demand increased.

A global shortage of electronic and other components led to a shortage in the supply of machinery. Significant growth in material and logistics costs led to inevitable price growth of machines. Under the circumstances, any additional regulatory impact on the market might lead to critical consequences. We are concerned about the initiative of the Ministry of Industry and Trade to greatly increase the utilization fee for machinery (the initiative was published in January 2021 year and its implementation was postponed). As before, we are highlighting the fact of a significant imbalance with the utilization fee size depending on the machine type, which is worsening the situation in the industry. As an example, we are facing a great shortage of human resources in the construction industry, which is pushing the industry to significantly increase capacity through much higher utilization of compact construction equipment. The amount of the utilization fee is comparable to the price of compact construction equipment, which significantly limits development of this market.

As before, we are very open to a dialogue with all regulatory authorities to discuss industry issues and contribute to the positive development of this very important sector of the Russian economy.

**ELECTRONIC PASSPORT FOR SELF-PROPELLED VEHICLES**

In accordance with Decision No. 122 of the EEC Board dated September 22, 2015 the introduction of an electronic passport for self-propelled machines (EPSM) instead of a paper one was expected on November 1, 2021.

Members of the Committee had prepared well in advance for that date, the equipment had been procured, and the local staff had been trained.

However, the expected regulatory documentation governing the procedure for appointing the authorized persons entitled to issue EPSMs was not prepared by the Ministry of Industry and Trade of the Russian Federation by the appointed deadline, despite advisory assistance from the Committee.

As a result, the date of introduction of EPSMs was postponed to November 1, 2022 by Decision of the EEC Board No. 141 dated October 26, 2021.

The main negative point is that in the published draft Order of the Ministry of Industry and Trade on authorized persons, importers were completely excluded from the EPSM registration process and all functions were assigned to the test laboratories, which, according to the opinion of members of the Committee, will lead to a collapse and additional expenses when issuing the passports and, accordingly, to extremely negative consequences when putting road construction equipment into circulation in the EAEU market.

## RECOMMENDATIONS

- › The Committee will continue to work with the Ministry of Industry and Trade of the Russian Federation and other authorities to amend regulatory documents related to the procedure for issuing the EPSM.

## OTHER ISSUES:

- › Statistical data exchange.
- › Localization of construction, road, and special equipment manufacturing.



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