



## Press-release

05 August 2024

According to the AEB Automobile Manufacturers' Committee, a total of **123, 217** units of new passenger cars and light commercial vehicles were sold in July 2024, excluding alternative supply channels, and about **138,951** units including them. According to sales data from PPK<sup>1</sup>, **142,763** units were sold. Sales in July 2024 exceeded sales in July 2023 by 42%, and the sales results for 7 months of the current year outpaced sales for the same period last year by 68%.

Alexey Kalitsev, Chairman of the Automobile Manufacturers Committee, comments: "The Russian market for new cars is growing relentlessly. Despite the slowdown in sales dynamics, the potential for growth remains.

Obviously, the share of cars coming in as parallel imports is dwindling toward insignificance. The automotive market is already one where official importers and manufacturers are consolidating their dominance.

However, we will soon see a reduction in car imports as well, due to a number of factors and government initiatives aimed at stimulating local production.

Some of the most noteworthy factors that will impact how the new car market develops are the planned significant incremental increase in the disposal fee and the upcoming tax reform. Industry representatives, including the AEB, have asked the Government to publish the timing and scale of the increase in the disposal fee, which has now been done, so that the industry has the opportunity to plan its investments accordingly. However, the industry also requires a clearer understanding of the mechanisms by which this resolution, if adopted, will be implemented. Continued and open dialogue with industry representatives is important, partly to reduce the potential risks of a negative impact on the market that an increase in the disposal fee may bring, particularly likely price increases for end buyers, a reduction in market supply, etc. In this regard, additional measures to support demand will probably be required, considering, inter alia, the recent increase in the key rate by the Central Bank, which makes loans for the purchase of cars less accessible. The Automobile Manufacturers Committee remains open to discussion and the mutual development of constructive solutions.

These factors will start to have a significant impact in the near future, but it will only be possible to fully assess it at the end of this year or the beginning of next year. At present, the Committee believes that the forecast we published last month has every chance of being realized."

<sup>1</sup> According to information provided by PPC JSC, on sales of new vehicles based on data on their transfer to owners (analytics@passport-ic.ru).

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