



The Association of European Businesses

**“Machine Building Market Trends in  
Russia (first half of 2013)”  
Round Table, organized by the  
AEB Machine Building & Engineering  
Committee**

Quality Information | Effective Lobbying | Valuable Networking

Supported by



June 07, 2013

AEB Conference Centre

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# Rolling stock production

P. Pegorier / MA. Juvin

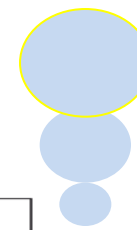
June 2013

TRANSPORT |



# Alstom & TMH = N°1 in railway industry

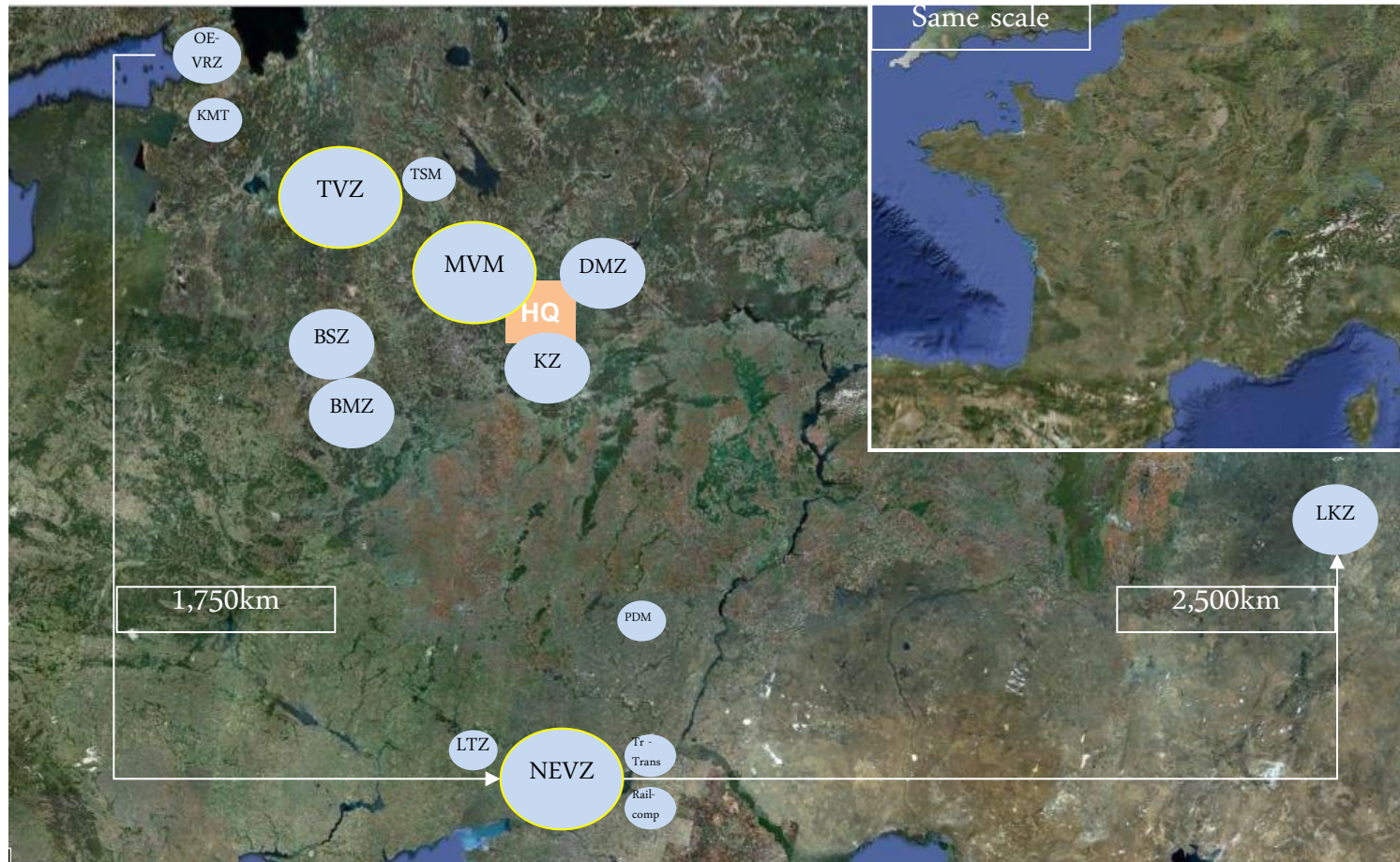
*Where TMH's 15 locations are*



3 largest production facilities

Key production facilities

Other sites & Engineering centers



- LKZ
- Railcomp
- TrTrans

Diesel-locomotive JV in Astana  
Components JV with Alstom  
Engineering JV with Alstom

TRANSPORT

**ALSTOM**

## TMH - A few highlights

		2012
<b>Revenues</b>	<b>M€</b>	<b>3.200</b>
<b>E-locos</b>	<b>Sect°</b>	<b>540</b>
<b>D-locos</b>	<b>Sect°</b>	<b>300</b>
<b>Metro</b>	<b>Cars</b>	<b>490</b>
<b>Passenger</b>	<b>Coaches</b>	<b>450</b>
<b>EMUs</b>	<b>Cars</b>	<b>440</b>
<b>Freight</b>	<b>Wagons</b>	<b>6.600</b>
<b>Headcount</b>	<b>#FTEs</b>	<b>55.500</b>
<b>Lean</b>	<b>%Coverage</b>	<b>50%</b>

### Rolling stock production, 3 priorities for 2013

- Industrial efficiency
- Quality
- Competitiveness

### Strategy

- AT/TMH - an industrially integrated alliance in 2015
- 50% of TMH revenues within 3-years : new products
  - “Made by Russia in Russia for Russian needs”
- Expansion to other market segments: Service,...



# Rolling stock by Russia



# David Hill

## JCB Russia

## Agenda

- Members of the committee
- Market Volumes and model trends plus forecast
- Manufacturers with local production
- Disposal Fee
  - Remanufacturing of components

## Committee members

## Члены Комитета



HITACHI

Reliable solutions



JOHN DEERE

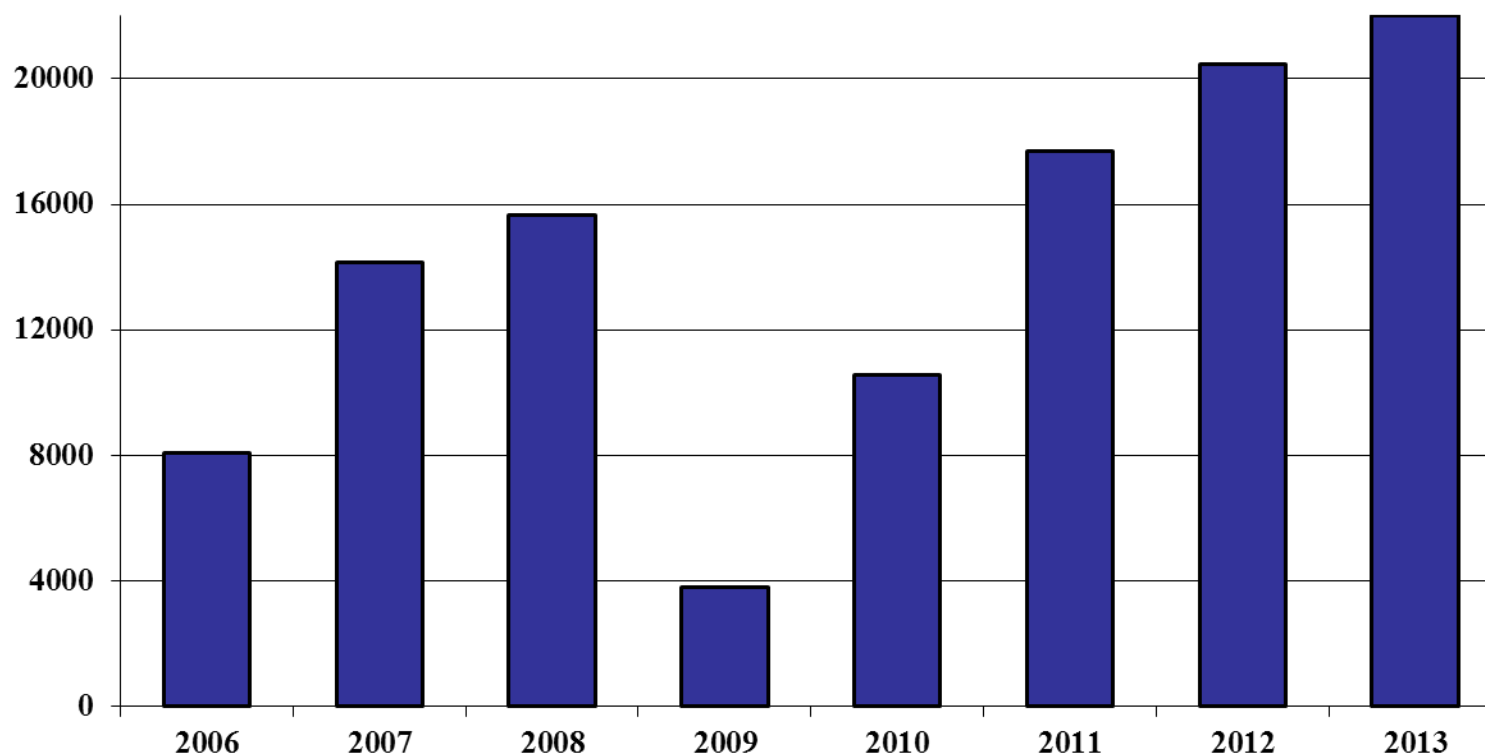
KOMATSU LIEBHERR



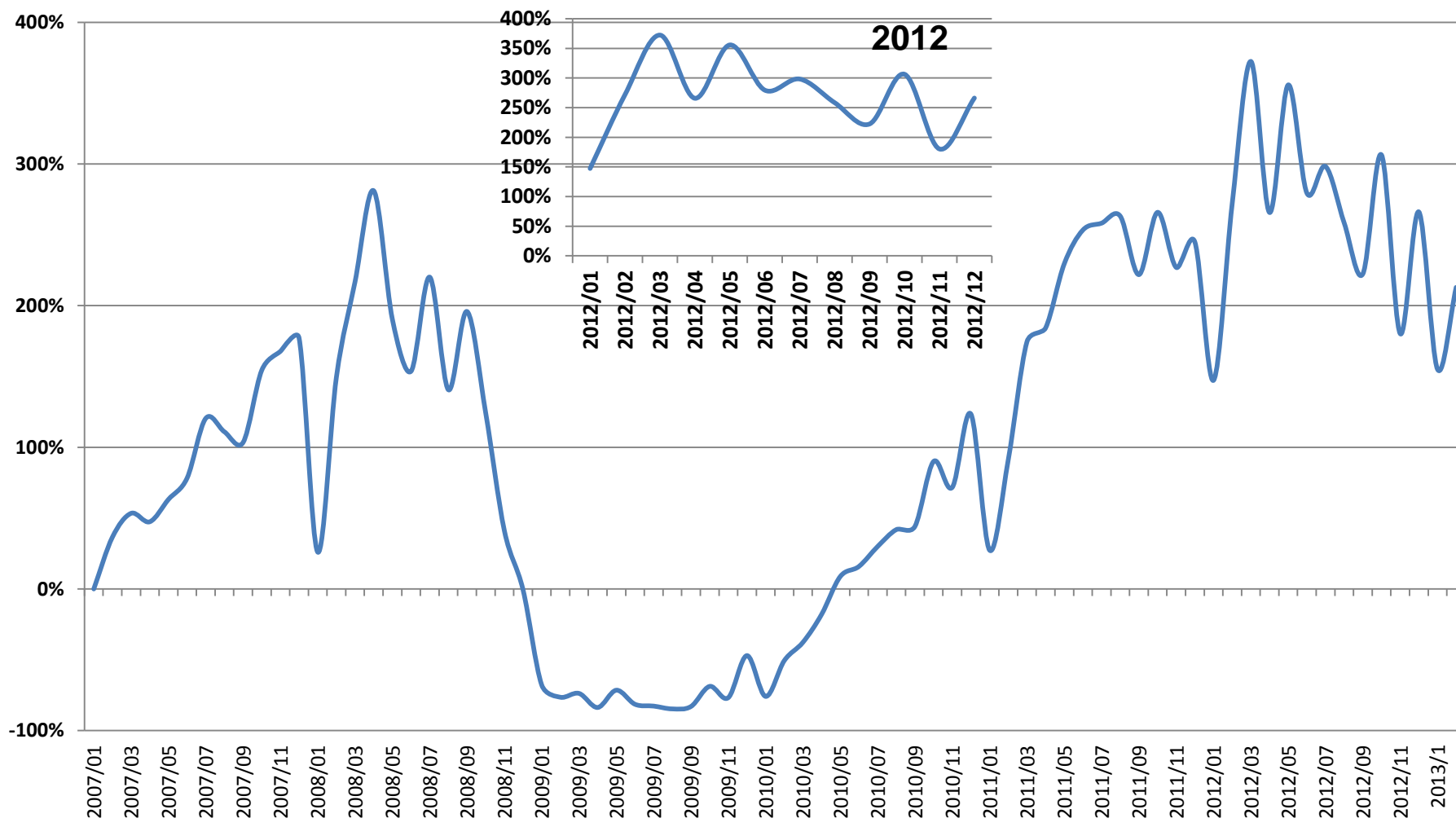


## Russian CE Market Development / Динамика развития рынка спецтехники в России

MachineVolume



## Russian CE Market Development / Динамика развития рынка спецтехники в России



## Machine trends

- Manufacturers installing telematic systems similar to agriculture
- Tier 2 engines still preferred
- Rental sector growing, but slowly

## Manufacturing in Russia

- A quickening pace of companies opening factories in Russia
- Localisation of production remains an issue
- Disposal fee may be a deterrent to investment

## Committee members

### Production / Производство

**Caterpillar:** Novosibirsk,  
Tosno/ Новосибирск,  
Тосно

**Hitachi:** Tver/ Тверь

**John Deere:**  
Domodedovo, Orenburg/  
Домодедово, Оренбург

**Komatsu:** Yaroslavl,  
Ivanovo/ Ярославль,  
Иваново

**Volvo:** Kaluga/ Калуга

## Члены Комитета



## Disposal fee

### Issue:

Federal Law № 128 on Amendments to the Federal Law on Production and Consumption Wastes and Article 51 of the Budget Code of the Russian Federation of July 28, 2012 and the Government Resolution №870 on Recycling Fee for Wheeled Transport Vehicles” of August 30, 2012.

Disposal fee on off-road articulated haulers and mining dump trucks reaches up to **5 550 000 rubles**.

Price increase for some types of dump trucks was about **24%**.

## Утилизационный сбор

### Проблема:

Федеральный закон № 128 «О внесении изменений в Федеральный закон "Об отходах производства и потребления" и статью 51 Бюджетного кодекса Российской Федерации» от 28 июля 2012 года и Постановления Правительства № 870 «Об утилизационном сборе в отношении колесных транспортных средств» от 30 августа 2012 года.

Размер утилизационного сбора на внедорожные сочлененные и карьерные самосвалы достигает **5 550 000 рублей**.

Увеличение цены на некоторые модели самосвалов составило около **24%**.



## **Remanufacturing provides “like new” condition: environmental protection and cost reduction**

**Восстановление в заводских условиях до состояния нового продукта: защита окружающей среды и снижение затрат на производство**

**Remanufacturing vs. manufacturing a new cylinder head / Восстановление в сравнении с изготовлением новой головки блока цилиндров**



✓ Greenhouse gas / Парниковый газ	61% less / меньше
✓ Water usage / Использование воды	93% less / меньше
✓ Energy consumption / Потребление энергии	86% less / меньше
✓ Production safety / Безопасность производства	82% higher / выше
✓ Usage of materials / Использование материалов	> 99% less/меньше
✓ Amount of waste / Количество отходов	> 99% less/меньше

# RENAULT RUSSIA

## Strategy 2020 for automotive industry

## HISTORY

**2002** – Concept of Automotive Industry Development  
2002-2010

**2010** – Strategy for Development of Russian Automotive  
Industry through 2020

**2013** – Update of Strategy for Development of Russian  
Automotive Industry through 2020

# STRATEGY FOR DEVELOPMENT OF RUSSIAN AUTOMOTIVE INDUSTRY THROUGH 2020

## MAIN GOAL – MAXIMISATION OF ADDED VALUE IN RUSSIA'S AUTOMOTIVE INDUSTRY

### OBJECTIVES:

- satisfy the demand by local production
- ensure national security by producing military transport means
- increase competitiveness and export potential
- maximum localization
- set up of competitive car components production
- develop technical regulations
- innovation and modernization to close up technological gap between Russian and major foreign OEMs
- set-up production capacities in the regions (incl. Siberia and Far East)
- developing R&D infrastructure
- Improving education system to train specialists in automotive industry
- Improving legislative and regulatory acts and creating a scrapping system for ELVs

# STRATEGY FOR DEVELOPMENT OF RUSSIAN AUTOMOTIVE INDUSTRY THROUGH 2020

## PRIORITIES:

- support production of innovative vehicles and components, creation and modernization of capacities
- technical upgrade of Russian-produced cars
- establish hi-tech auto components production in Russia, incl. for export
- develop regional automotive clusters (e.g. Moscow)
- enhance R&D role in modernization of cars and components

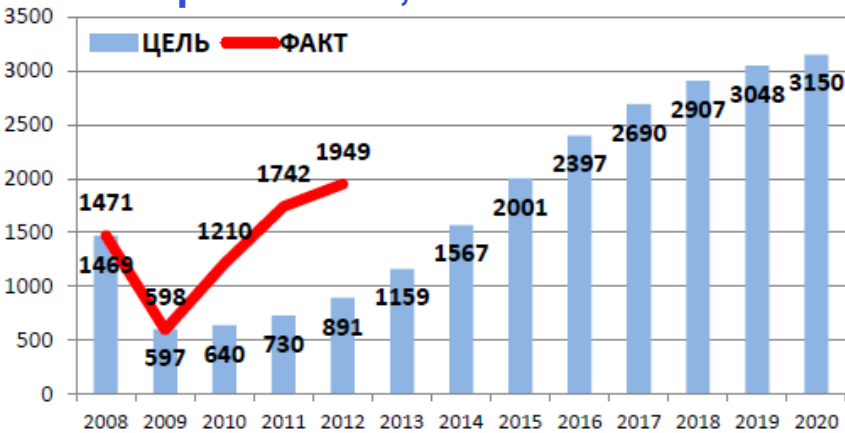
# STRATEGY FOR DEVELOPMENT OF RUSSIAN AUTOMOTIVE INDUSTRY THROUGH 2020

	2008	2020
<b>Car market</b>	2430 KU (2935KU in 2012)	3600 KU
<b>Car exports</b>	45 KU	250 KU (8% of production)
<b>Car imports</b>	1440 KU	700 KU (~20%)
<b>Local production</b>	1035 KU	3150 KU
<b>Added value in automotive industry</b>	12.3 BE	54.9 BE
<b>Automotive industry share in GDP</b>	0.98% (GDP – 798.6BE)	2.38% (GDP – 1545.5BE)
<b>Added value created in Russia</b>	21%	48%

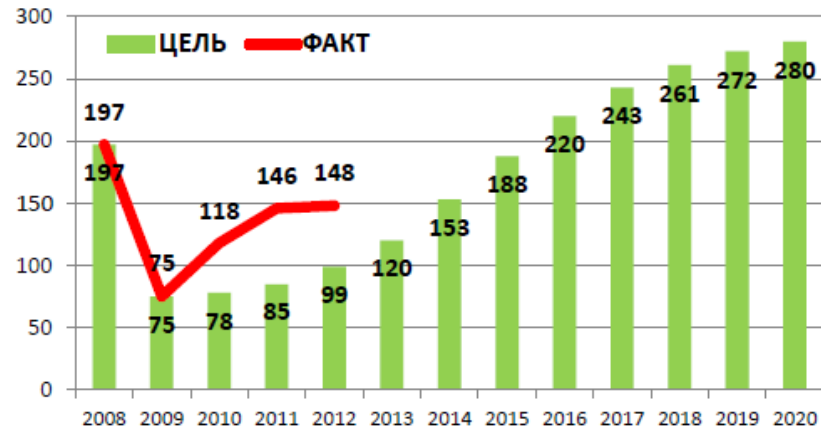


# PERFORMANCE INDICATORS OF STRATEGY IMPLEMENTATION

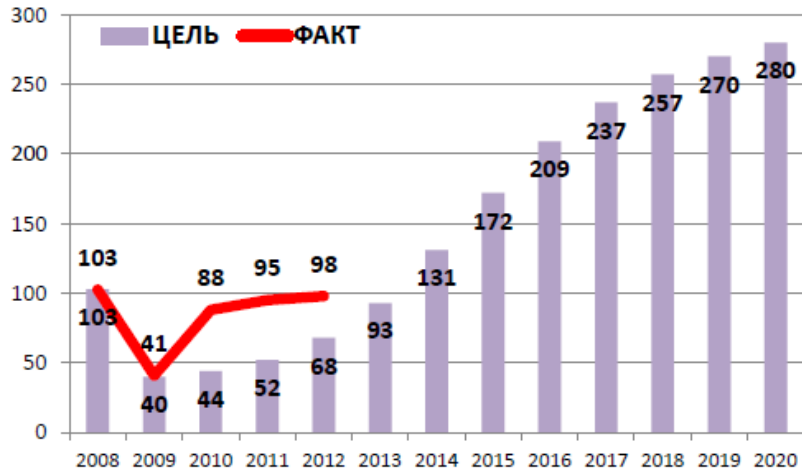
## PC production, KU



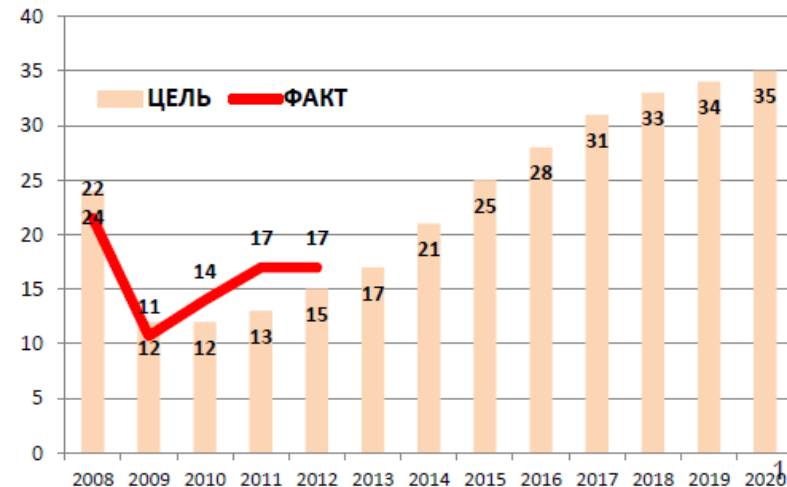
## LCV production, KU



## Trucks production, KU

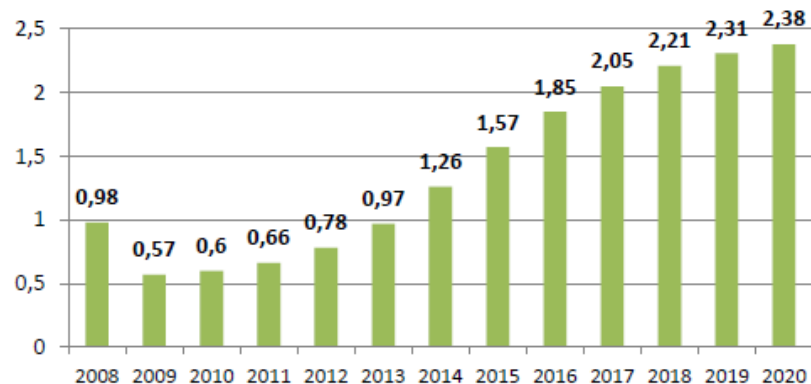


## Buses production, KU

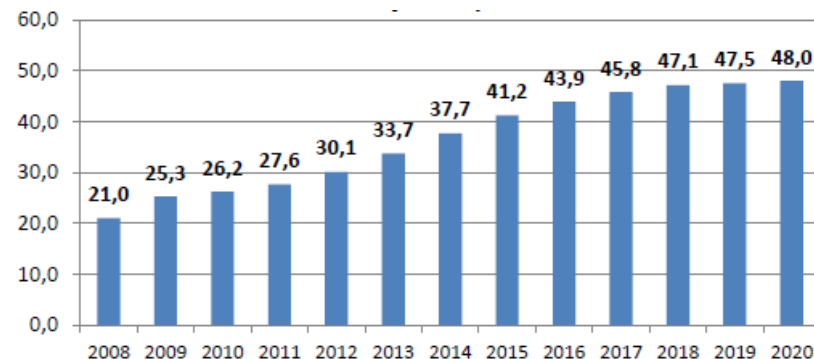


# PERFORMANCE INDICATORS OF STRATEGY IMPLEMENTATION

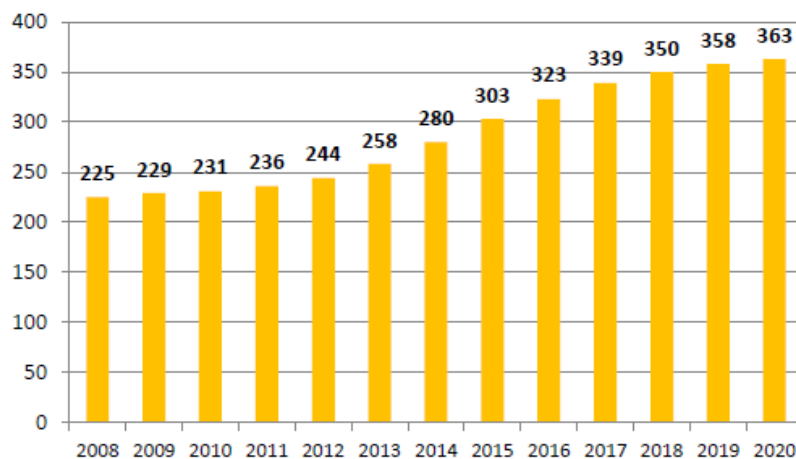
## Automotive industry share in GDP, %



## Added value share in automotive industry, %



## PC ownership rate per 1000 persons



# SUPPORT MEASURES FOR AUTOMOTIVE INDUSTRY

## MEASURES

## EFFECT

**Industrial assembly**



**Capacities increase**

**Scrappage program**



**Production volumes increase**

**Subsidies to Russian automotive businesses**



**Modernization and extension of capacities, increase of production volumes and sales**

**State procurement of locally made cars**



**Production volumes increase**

**Subsidized transport of cars to Far East**



**Used imported cars replaced by new local cars**

**Subsidized car loans**



**Sales volumes increase**

# EXPORT PROMOTION

## Target export level by 2020:

- ❖ 8% of total production volume - PC
- ❖ 14% - LCV
- ❖ 50% - trucks
- ❖ 23% - buses

## Existing support measures:

**INSUFFICIENT for automotive industry!**

- ❖ Subsidised loans
- ❖ Export insurance
- ❖ State guarantees for export loans

## Proposed incentives:

**Key factor:**  
**compliance with WTO rules**

- ❖ Import duties reimbursement
- ❖ VAT reimbursement
- ❖ Direct subsidies:
  - R&D
  - New models launch

END





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