



AEB Commercial Vehicles Committee Short Position Paper

Market 2018

Results 2018	Key facts	Forecast 2019
<ul style="list-style-type: none">Limited growth of the total market (3%);Improvement of the foreign brands (+7%) and nearly stagnating sales of the Russian brands (a minor decrease of 1%);	<p>Driving factors</p> <ul style="list-style-type: none">Deferred demand;Stable ruble rate; <p>Key market trends</p> <ul style="list-style-type: none">Ongoing concentration of the market volumes;Big potential demand for fleet renewal hampered by weak economic growth & uncertainty about ruble rate.	<ul style="list-style-type: none">Stabilization of the volume (minor growth or decrease possible);Further dynamics will heavily depend on:<ul style="list-style-type: none">Overall economic situation (no market growth without economic growth);Stability of the ruble exchange rateFurther sanctions / geopolitical de-escalation;Predictability & efficiency of the Russian national regulation

Government policy

Issue	Status	CVC position
Strategy 2025	<ul style="list-style-type: none">Strategy officially adopted in April 2018;Key priorities:<ul style="list-style-type: none">Support of key local & localized manufacturers;Future technologies (electric, connected & autonomous vehicles);Export promotionFurther increase of localization depthStrategy implementation roadmap, however, needs to be clarified	<ul style="list-style-type: none">Support efforts to develop the national industry in line with the global trends;Leading global brands should be positively encouraged to localize & cooperate with local players and local suppliersSubstantial localization could be dramatically increased, if an efficient component industry policy is adopted.

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<p>Strategy 2025 on Component Production</p>	<ul style="list-style-type: none"> • Originally planned for adoption in 2019 latest; • Currently, the work looks stuck; 	<ul style="list-style-type: none"> • Component Strategy is key for successful localization; • CVC insists that it be designed and implemented and is ready to work on the Strategy together with the government
<p>Decree 719 amendment</p>	<ul style="list-style-type: none"> • Several version of the Decree 719 have been in discussion (compulsory list of operations, points system with options to choose, etc.); • Every version foresees considerable localization requirements rather suitable for the Russian brands than global OEMs localized in Russia 	<ul style="list-style-type: none"> • Localization decree should offer an affordable “localization menu” for all key players in the market who wish to expand their localization
<p>Euro 6</p>	<ul style="list-style-type: none"> • Euro 6 is planned for introduction into the technical regulation; • Deadlines for E6 becoming mandatory unclear (latest version: 2025) 	<ul style="list-style-type: none"> • Support Euro 6 introduction; • Need to align Euro 6 definition with UNECE norms; • Need a clear timeline for its implementation;
<p>Gas powered vehicles</p>	<ul style="list-style-type: none"> • Government is intensifying efforts to promoted natural gas (CNG / LNG) as alternative to diesel; • However, the benefits so far are reserved only to the vehicles with high localization 	<ul style="list-style-type: none"> • Gas vehicles have high potential in the Russian market; • Import duties should be decreased to 0% & SPIC localization requirements softened adequate gas fleet level in the country is reached (to ensure the load of at least 50% of existing filling station capacity); • Temporary reduction of operations costs for gas vehicles (Platon payment, vehicle tax etc.) should be implemented; • There should be a roadmap with a detailed timeline on the expansion of gas filling stations network. CVC is ready to provide its support in designing it; • Euro 6 standard for gas powered vehicles should be introduced

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New technologies

- Following the global technological trends in the automotive (connectivity, autonomous driving, electric powertrains) a priority;
 - AutoNET initiative launched. So far, a lot of conferences, limited practical results;
 - Yandex has successfully lobbied for testing of autonomous vehicles in regular traffic.
- Telematics should stay private and competitive (no compulsory GLONASS-based platforms);
 - State initiatives to support the testing of (partly) autonomous vehicles needed without direct link to localization to test their usability in Russia;
 - State supported infrastructure is key for further development of electric vehicles;
 - The industry needs to see practical goals from the government to be able to provide quality expertise & support hi-tech development;

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Association of European Businesses
Butyrsky Val str. 68/70, bld. 1
127055 Moscow, Russia

Phone: +7 (495) 234 27 64
Fax: +7 (495) 234 28 07

E-mail: info@aebrus.ru
www.aebrus.ru