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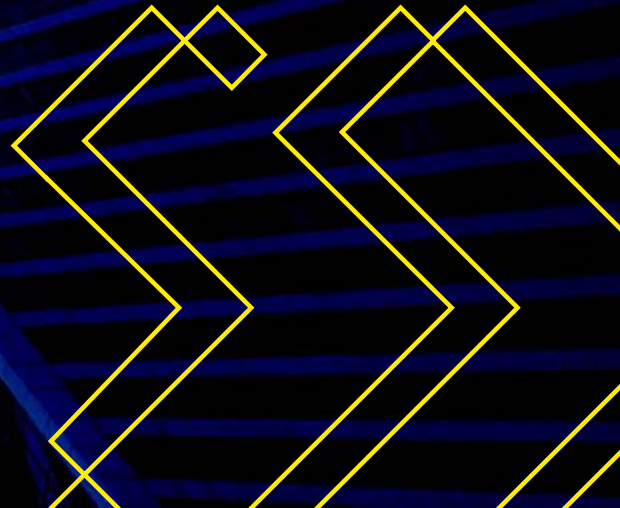
AEBRUS.RU

AEB AUTOMOTIVE SUPPLIER COMMITTEE

Growing together!



February 2022



2022 Automotive Supplier Committee

 February 2022

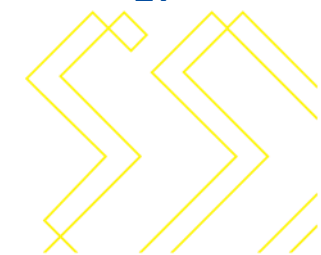


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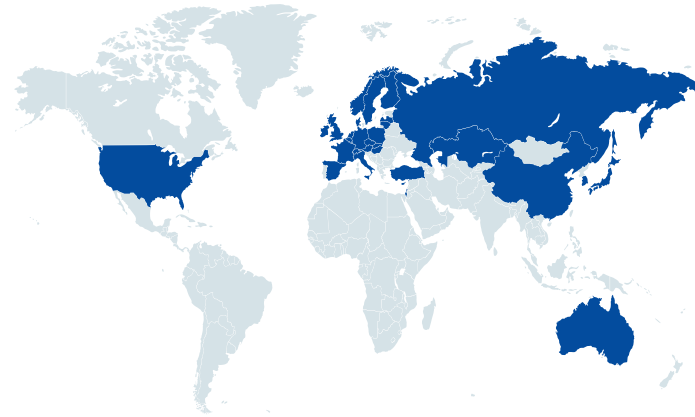
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AEB in Numbers

 **25+** years of work

 **2000** completed projects

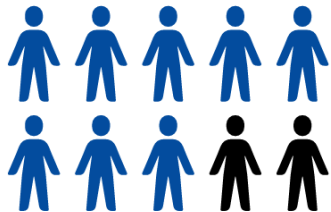
 **300\$ bn** of investment



>500 member companies


43 countries

8,5 average member satisfaction rate



 **≈100** regular events annually

 **>100** committee meetings annually

 **89%** are satisfied with AEB performance

 **≈20000** mentions in media annually

 **60+** committees and WG

 **>10** publications annually
[Position Paper](#) [Annual Report](#)
[other publications](#)



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What is the AEB Automotive Supplier Committee?

Mission: Be one voice that creates and supports a sound investment climate and operating environment for the automotive components and supplier industries.



Effective communication with governmental bodies



Consolidate key suppliers to boost cooperation and work out ideas that would benefit the industry



Promote the Committee as the best place to discuss ideas, address concerns and make proposals to support the industry

Member companies: Atlas Copco, Benteler Automotive, Continental, Dow Europe, Performance Specialty Products Rus, Faurecia, Gestamp, Johnson Matthey, NTN-SNR Rus, Robert Bosch, ISG support-GUS GmbH, Russian Automotive Components, SAF-Holland RUS, Segula Technologies Russia, Smart Driving Labs, Volvo Vostok, ZF

Automotive Consultants members: Deloitte, DLA Piper, EY, KPMG, PwC



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Automotive Supplier Committee: What do we do



Regular committee meetings (sometimes with invited experts)



Official communication with government bodies: letters, meetings, participation in working groups



Round tables (i.e., Euro 6 round table)



Alignment with other automotive committees (Commercial vehicles, Automobile Manufacturers Committee)



Networking



Events (IMAF, TIAF, ...)



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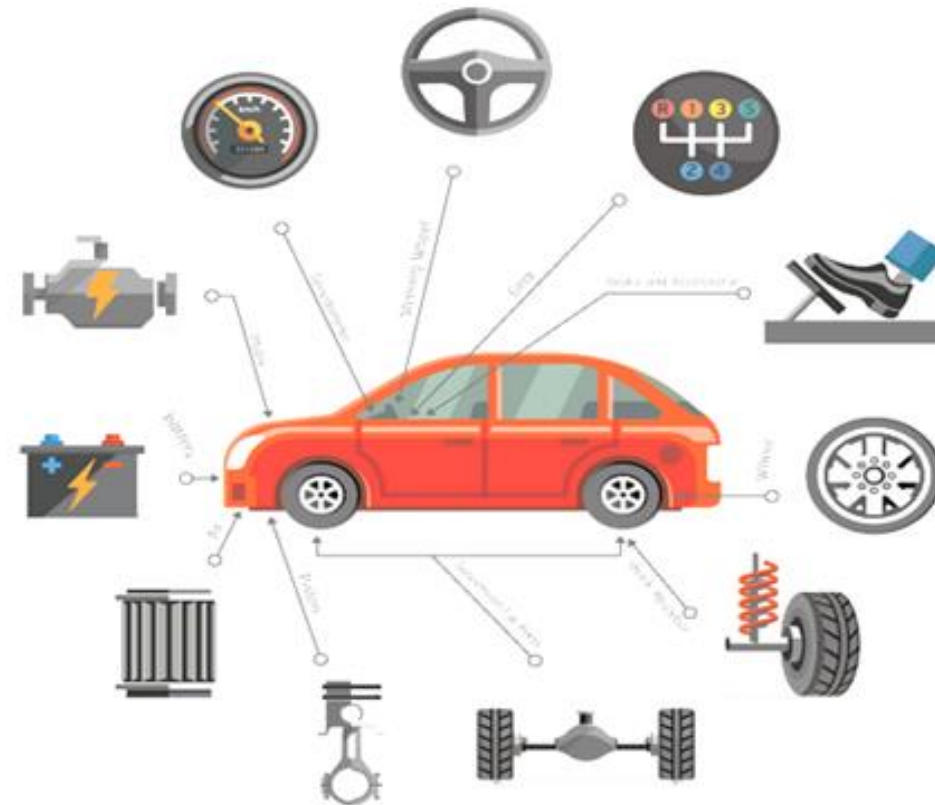


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Automotive Supplier Committee Facts and Figures in Russia

- Traditions**
Founded in 2000
- Independence**
The committee is funded by membership fees only
- Media Presence**
Over 130 references in mass media in 2021 alone, including prime time TV news

Around 70% of the value added of a vehicle is created by suppliers



25

Plants

€ 2bn

Sales/year

9000+

People
employed

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Russia Overview – Automotive Components Export from Russia

AEB Automotive Supplier Committee was actively engaged in preparing the **Strategy on development of automotive products export in Russia up to 2025** adopted by the Government of the Russian Federation under **Decree No. 1877-p dated 31st August, 2017**.

Decree No. 1877-p



Russia Overview – Russian Automotive Strategy 2025 adopted by the Government in April 2018

- Increase localization of components
- Export **8%** of production
- Improve emission requirements
- Smart safety and management systems
- Mass reduction (new materials)
- Alternative fuels (CNG), **5% by '25**
- Recycling

Most relevant activities for ASC Committee

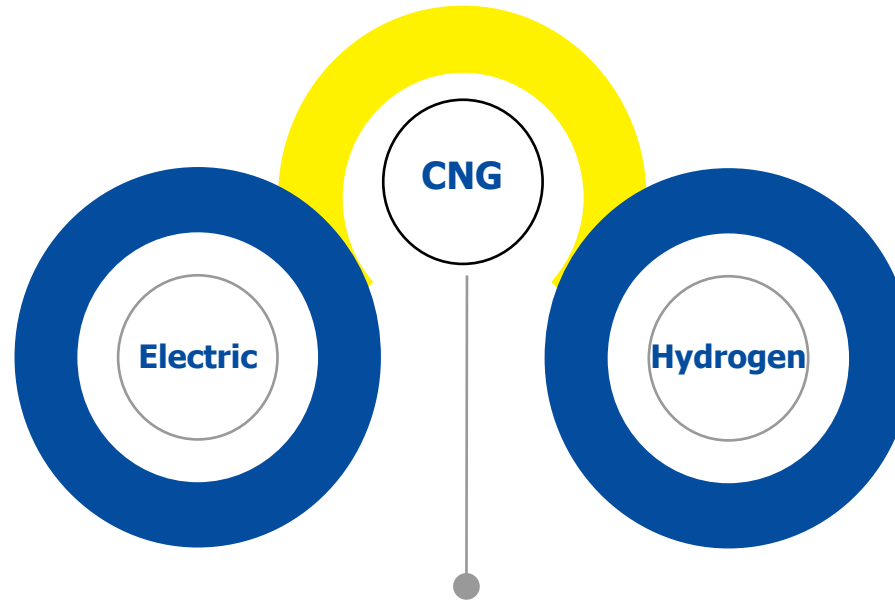
- Smart and adaptive production technologies, advanced technologies for developing new products
- harmonize technical requirements and standards with worldwide approach
- improve power efficiency
- Electric vehicles, **5% by '25**
- Autonomous driving, **2% by '25**



Russia Overview – Electric, Hydrogen or Methane?

Customers and public authorities are more and more concerned about air quality. **Low emission zones (LEZ)** are legally introduced, first LEZ will be in place in several regions across the country, mostly in resorts and cities like Moscow and St Petersburg. Russia is choosing between **electric, hydrogen or CNG/LNG (methane)**.

- Electric passenger car sales are extremely low (around 700 new vehicles in 2020). Several startups plan to launch limited local production.
- Electric buses are bought in hundreds by cities, most are produced by local OEMs (GAZ, KAMAZ and Volgabus).

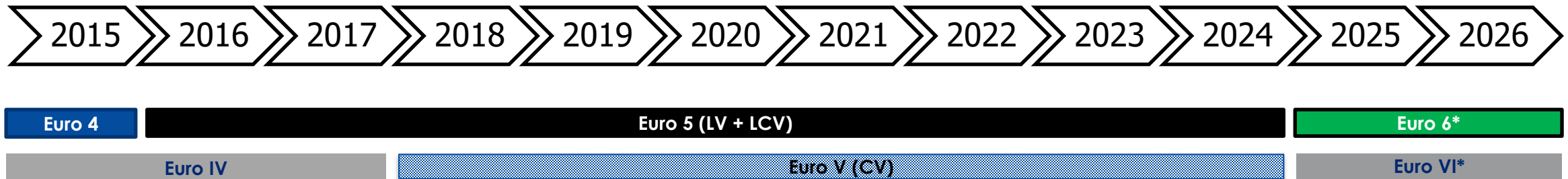


- Russia used to be a pioneer in Hydrogen field Domestic research teams/labs have all technologies available from fuel cells to membranes and tanks.
- Technical regulation is in place and is synchronized with global standards (Russia teams up with ISO/TC 197 and IEC/TC 105).
- In August 2021 the Hydrogen Strategy was adopted.
- Commercial vehicles manufacturers presented 1st domestically manufactured hydrogen vehicles in 2021. First batch of hydrogen buses will be tested in Moscow in 2023.

- Russia has the biggest methane reserves in the world (about 25% of world's reserves).
- CNG offers better emissions and lower costs. (CNG is 3 times cheaper v gasoline in Russia)
- Several vehicles are already in serial production. Total fleet today around 150K veh., 700k planned by 2030.
- Biggest problem is insufficient number of CNG stations on the roads (577 today, 2400 planned by 2030).
- Russia has a Government Strategy to develop CNG.



Russia Overview – Emission legislation



* The exact target date for new emission regulation not set yet

- Russia is not planning to stop manufacturing internal combustion engines.
- Euro 5 is in place in Russia for all type of vehicles (LV & CV)
- Euro 6 implementation date in Russia not defined yet. Russia pushes for it, needs to align with members of the Customs Union (Belarus, Armenia, Kazakhstan, Kyrgyzstan).
- Decree 832 legally introduced Low Emission zone in cities, they can be applied starting from 2021 in resorts and cities (Moscow, St Petersburg, Crimea...)

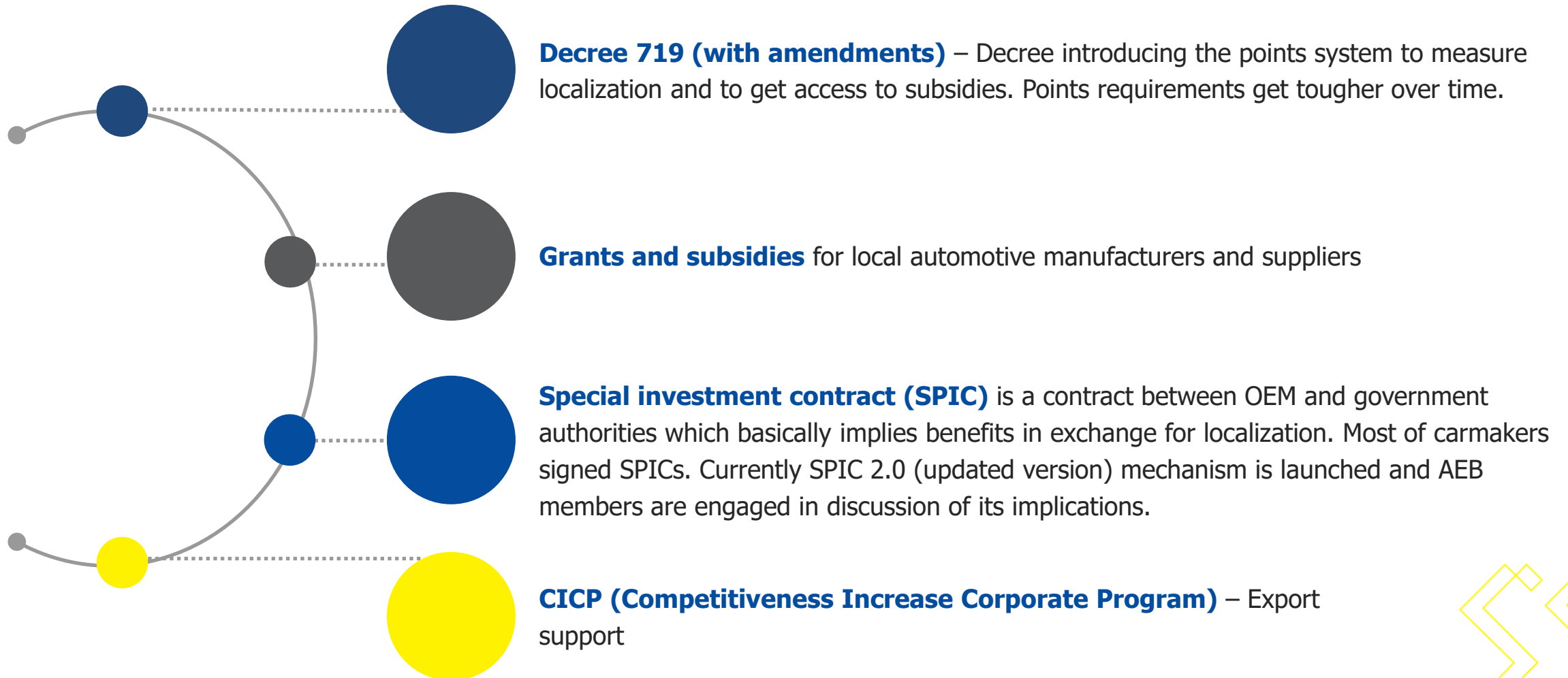


Russia Overview – Four Aims declared by the Ministry of Industry & Trade of Russia

- 1** Increase local **added value** of cars and components
- 2** '**Technological safety**' for key components = independence if relations with the West deteriorate further
- 3** Development of **technologies of the future** (connected and driverless cars, electromobility...)
- 4** **Export** (the logic is simple: if goods are exported it means they meet global standards)



Russia Overview – Tools to achieve the 4 aims of the Ministry of Industry



No localization = No government subsidies = No competitiveness = No business in Russia



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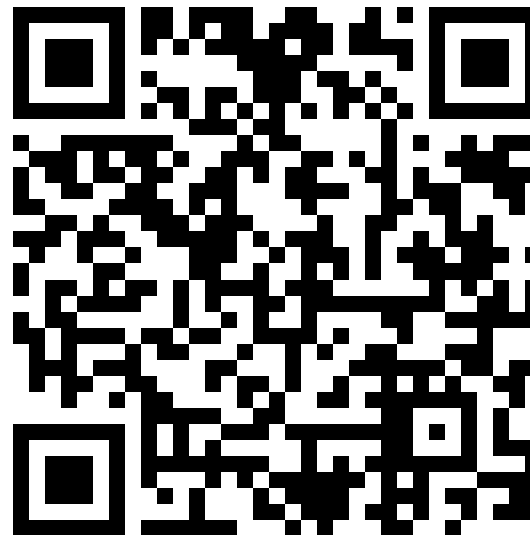


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Position Paper 2022. ASC position on main issues. For more details please scan the QR code

Logistics: shortages and price increases of raw materials and semiconductors.

719 Decree: main changes and challenges



Government support: grants, subsidies, R&D support, SPIC 2.0

Clean Mobility: Euro 6, CNG, Hydrogen, electric vehicles



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Automotive GR Monitor

The Automotive Supplier Committee (ASC) in cooperation with AEB member, consulting company Deloitte, has initiated and launched the new tool – **Automotive GR Monitor**, the main objective of which will be to highlight the latest regulatory changes and trends in Russia's automotive industry.



Main events by the ASC: Euro 6 Round table, May 2021



Extended meeting of the Committee “Prospects of Euro 6 Implementation in Russia and EAEU Countries”

Representatives of public authorities and associations (in hybrid format) – such as NAMI, the Ministry of Industry and Trade, the Eurasian Economic Commission, the Association of Russian Automakers as well as business representatives – company-members of the Automotive Suppliers Committee, Automobile Manufacturers Committee and Commercial Vehicles Committee took part in the meeting.

During the event, the participants exchanged their views on the deadlines and prospects of ecological class 6 implementation in Russia and EAEU. In the end, it was decided to continue the dialogue between the industry and public authorities' representatives on the issue of Euro 6 legal adoption.



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Main events by the ASC: International Moscow Automotive Forum (IMAF), August 2021



Widely regarded as the most significant event in the automotive industry, the 2021 Forum was devoted to the automotive industry's prospects in the realm of the coronavirus infection pandemic and its effects.

The Forum hosted high-profile speakers and participants – top executives and GR directors of Volkswagen Group Rus, BMW, AVTOVAZ, MAN Truck & Bus RUS, Scania Rus, Haval, Hyundai, etc., as well as representatives of well-known consulting firms (Deloitte, PwC), business and industrial associations (ROAD, Avtostat, NAPI, NP "GLONASS", etc.), autonomous branches of Sber and Yandex, etc.

Furthermore, foreign guests from the Brussels car supplier association CLEPA also participated in the event, thus confirming the international status and recognition of IMAF.



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