

28 August, 2009

## **RUSSIAN NEW CAR MARKET ALMOST HALVES IN 12 MONTHS**

- **Market crashes by 48.7%**
- **Lada still the market leader; 26% market share, but sales down 45.1% YtD**
- **Russian government acts to arrest decline**
- **Volkswagen is only top brand to increase sales**

JATO Dynamics, the world's leading provider of automotive data and intelligence, reports that the Russian market has almost halved, suffering major sales losses in the first half of 2009.

The overall market is down 48.7% from January to June, compared to the same period in 2008.

"Russia is suffering more than any other region in world. Not even North America has seen new car registrations hit so heavily," says Evangelos Hadjistavrou, Regional General Manager, JATO Dynamics. "Put more graphically, Russia has sold 676,428 fewer vehicles YtD, a figure barely comprehensible a few months ago. Not even government incentives to buy domestically-produced brands can protect manufacturers from the losses."

Of the volume brands, only Volkswagen has managed to increase sales during the period, whilst all the vehicle segments have posted significant sales losses.

These losses could have been greater, but for action by the Russian government, including increasing support loans to customers of new Russian-built cars, costing less than 600,000 RUR (EUR 13,500; £11,700), from August 2009. A further scrappage incentive has been announced for

2010, of 50,000 RUR (EUR 1,125; £975), to arrest the decline of the new car market.

### Brand Performance

Despite its own heavy sales losses, Lada continues its dominance of the Russian market, taking one quarter of the market. Of the top ten brands, Renault has suffered the least heavily with a 35.1% drop in sales, while Hyundai has seen almost two thirds (63.6%) of its Russian customers disappear in the first half of 2009.

### Top 10 Brands

Make	Sum of H1_09	Sum of H1_08	Diff 2009 vs. 2008	% Change	Market Share H1 2009
LADA	183,522	334,036	-150,514	-45.1%	25.75%
CHEVROLET	60,157	125,701	-65,544	-52.1%	8.44%
FORD	45,107	91,976	-46,869	-51.0%	6.33%
NISSAN	38,054	76,122	-38,068	-50.0%	5.34%
TOYOTA	37,838	88,233	-50,395	-57.1%	5.31%
RENAULT	36,306	55,902	-19,596	-35.1%	5.09%
HYUNDAI	36,254	99,491	-63,237	-63.6%	5.09%
KIA	30,405	49,681	-19,276	-38.8%	4.27%
DAEWOO	27,642	52,525	-24,883	-47.4%	3.88%
VOLKSWAGEN	21,858	20,586	+1,272	+6.2%	3.07%

10th placed Volkswagen has bucked the general trend, by posting a small increase in sales, the only brand to do so with any significant volume sales.

Further economic pressure on non-Russian brands this year has included an average 5% increase on Russian customs duties for 2009 imports, together with a 35% increase in the Euro/ Rouble exchange rate, giving a bleak outlook for the remainder of this year, with sales forecast half those of 2008, at less than 1.5 million.

### Model Performance

Lada's position of strength in the market is shown clearly by the performance of its models, filling the top four sales positions. Once again, all the top ten selling models have suffered significant losses in the market, with Lada's Priora putting in the strongest performance with a relatively small drop in sales of 18.5%. The best-selling non-Lada model is Ford's Focus, built in St Petersburg. This also did better than most,

seeing sales fall 'only' 36.8%. The worst top ten model performance was the Chevrolet Lacetti, losing just under 60% of the sales it had a year ago.

### Top 10 Models

Make & Model	Sum of H1_09	Sum of H1_08	Diff 2009 vs. 2008	% Change
LADA SAMARA	47,207	88,283	-41,076	-46.5%
LADA PRIORA	46,147	56,630	-10,483	-18.5%
LADA 2104/2105/2107	40,293	99,878	-59,585	-59.7%
LADA KALINA	31,278	46,549	-15,271	-32.8%
FORD FOCUS	29,275	46,357	-17,082	-36.8%
RENAULT LOGAN	25,581	41,074	-15,493	-37.7%
CHEVROLET LACETTI	18,053	44,989	-26,936	-59.9%
CHEVROLET LANOS	15,027	25,468	-10,441	-41.0%
DAEWOO NEXIA	14,720	25,561	-10,841	-42.4%
DAEWOO MATIZ	12,922	26,964	-14,042	-52.1%

### Segment Trends

Beneath the headline figures, the true pattern of sales is a startling reversal of Western Europe, with small-car segments suffering relatively more than larger car segments. The only segment posting a sales increase is the Medium MPV category, a small volume segment whose performance is completely accounted for by the introduction of the Nissan Qashqai.

Russia's preference for petrol automatics and SUVs is shown in the enduring popularity of its Large SUV segment, which fell only 5.6%, while small and city car segments have each halved and the mini MPV segment – including Nissan Note, Citroen Berlingo and Ford C-MAX – fell by a shocking 61%.

## Segments

JATO regional segment	Sum of H1_09	Sum of H1_08	Sum of Diff YtD	Sum of % Change YtD
EU A - utility/city cars Total	16,474	35,617	-19,143	-53.7%
EU B - small Total	110,912	213,817	-102,905	-48.1%
EU C1 - lower medium	312,786	653,328	-340,542	-52.1%
EU C2 - lower medium	30,316	68,965	-38,649	-56.0%
EU D1 - upper medium	56,303	103,602	-47,299	-45.7%
EU D2 - upper medium	7,346	10,492	-3,146	-30.0%
EU E1 - large and executive	8,982	14,314	-5,332	-37.3%
EU E2 - luxury	1,967	4,052	-2,085	-51.5%
EU Mini MPV	19,136	41,612	-22,476	-54.0%
EU Medium MPV	2,009	1,681	+328	+19.5%
EU Large MPV	1,458	3,250	-1,792	-55.1%
EU Small SUV	38,738	54,503	-15,765	-28.9%
EU Medium SUV	75,097	139,568	-64,471	-46.2%
EU Large SUV	12,241	12,970	-729	-5.6%
EU Luxury SUV	16,309	26,398	-10,089	-38.2%
EU Sports	1,989	4,003	-2,014	-50.3%
EU Pickup	677	996	-319	-32.0%
<b>Grand Total</b>	<b>712,740</b>	<b>1,389,168</b>	<b>-676,428</b>	<b>-48.7%</b>

The above data is provided by JATO Consult, the company's bespoke consulting service which offers customers access to its unique data and provides solutions and advice to meet a wide range of automotive business challenges. For more information visit [www.jato.com](http://www.jato.com) or email [consult@jato.com](mailto:consult@jato.com).

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### Editorial note: JATO Dynamics background

JATO was founded in 1984 and provides the world's most timely, accurate and up-to-date intelligence on vehicle specifications and pricing, sales and registrations, news and incentives. The company has representation in over 40 countries, providing unique local market expertise. The JATO client base includes all of the world's volume vehicle manufacturers, giving them the ability to react to short-term market movements, plan for long-term developments and ultimately to meet consumers' needs. JATO's data has also been adapted for consumer use in motoring web portals where customers can see the advantages and disadvantages of a specified model against any other while major leasing companies use JATO data to drive the vehicle quotation process. Visit JATO at [www.jato.com](http://www.jato.com).

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