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RUSSIAN NEW CAR MARKET HALVES DURING 2009

- **Russian new car market almost halves, down 49.8% in 2009, to 1.36 million units**
- **Kia only volume brand improving through a difficult year**
- **Lada remains top brand, but sales down by 44.7%**

Russian new car buyers stayed away from showrooms in large numbers during 2009, with sales volumes almost halving in 2009, according to the latest market analysis from the world's leading provider of automotive data and intelligence, JATO Dynamics.

In line with sales forecasts, which suggested less than 1.5 million sales, every new car segment shrank over the year, with the top five brands – Lada, Chevrolet, Ford, Hyundai and Renault – all losing ground vs. their 2008 sales.

Kia was the only high volume brand to show any improvement, increasing sales in most car sectors through its Rio, Sportage, Cerato, Carens, Picanto, Magentis, and new Soul models and posting a small second half sales gain in 2009.

Evangelos Hadjistavrou, Regional General Manager, JATO Dynamics, said: "The situation in Russia is very serious, perhaps the worst in any major market. The market dropped by over 1.3 million vehicles last year, in contrast to the growth of recent times. The most interesting part is these losses could have been even greater, but for action by the Russian government."

Over the year, Russian authorities increased support loans to customers of any new Russian-built cars costing less than 600,000 RUR (EUR 13,500; £11,700). A further scrappage incentive has been announced for 2010, of 50,000 RUR (EUR 1,125; £975), in an attempt to arrest the decline.

Brand Performance

Despite these domestic-product incentives, Kia was the only high-volume brand showing any improvement, with a 3.4% overall rise in the second half of the year, very much against the general trend.

Lada remained the strongest brand in sales volumes, taking 26% total market share.

Top 10 Brands

Make	2009	2008	Diff 2009 vs. 2008	% Change	Market Share 2009
LADA	354,306	640,194	-285,888	-44.7%	26.13%
CHEVROLET	104,398	235,466	-131,068	-55.7%	7.70%
FORD	74,317	174,190	-99,873	-57.3%	5.48%
HYUNDAI	72,344	185,471	-113,127	-61.0%	5.34%
RENAULT	71,112	106,677	-35,565	-33.3%	5.24%
KIA	69,887	87,875	-17,988	-20.5%	5.15%
TOYOTA	68,006	188,866	-120,860	-64.0%	5.02%
NISSAN	62,456	143,257	-80,801	-56.4%	4.61%
DAEWOO	51,414	95,510	-44,096	-46.2%	3.79%
VOLKSWAGEN	40,017	50,525	-10,508	-20.8%	2.95%

Through 2009, import brands in Russia have also had to face an average 5% increase on Russian customs duties, together with a 35% increase in the Euro/Rouble exchange rate, pushing up retail prices and undoubtedly affecting sales.

Model Performance

Lada claimed four of the top five models in 2009 and still sold three times more than its nearest rival, Chevrolet, despite a 44.7% drop in sales.

This weakening demand has led the Lada Kalina to be only just ahead of the Renault Logan and Ford Focus by year-end.

However, the Lada 4x4 gave the company more positive news, being the only top 10 model to increase its sales (26,726 units; +9.8% vs. 2008).

Top 10 Models

Make	2009	2008	Diff 2009 vs. 2008	% Change	Market Share 2009
LADA PRIORA	99,473	128,175	-28,702	-22.4%	7.34%
LADA SAMARA	90,428	167,441	-77,013	-46.0%	6.67%
LADA 2104/2105/2107	72,032	186,188	-114,156	-61.3%	5.31%
LADA KALINA	58,999	93,844	-34,845	-37.1%	4.35%
RENAULT LOGAN	53,869	74,300	-20,431	-27.5%	3.97%
FORD FOCUS	52,108	93,496	-41,388	-44.3%	3.84%
CHEVROLET LACETTI	29,362	81,656	-52,294	-64.0%	2.17%
DAEWOO NEXIA	28,233	50,814	-22,581	-44.4%	2.08%
LADA 4X4	26,726	24,349	2,377	+9.8%	1.97%
CHEVROLET NIVA	24,520	47,486	-22,966	-48.4%	1.81%

Segment Trends

By the end of 2009, the previous popularity of large SUVs that had sustained this segment had dissipated, with all high-volume segments suffering steep sales declines, greater than 40%.

The large MPV segment suffered most, down 61.8% in the year to December 2009, mainly because no new models were launched in this segment through the year, to offset the declines of existing models.

Elsewhere, new model launches, such as Nissan Qashqai, Volkswagen Passatt CC, Mercedes CLC and locally-produced GAZ Siber bolstered their overall segment performances.

Regional Segments

JATO Regional Segment	2009	2008	Diff 2009 vs. 2008	% Change
EU A - utility/city cars	30,880	59,223	-28,343	-47.9%
EU B - small	214,901	410,550	-195,649	-47.7%
EU C1 - lower medium -	585,726	1,251,896	-666,170	-53.2%
EU C2 - lower medium +	57,156	134,726	-77,570	-57.6%
EU D1 - upper medium -	96,046	208,873	-112,827	-54.0%
EU D2 - upper medium +	14,407	19,438	-5,031	-25.9%
EU E1 - large and executive	17,348	29,132	-11,784	-40.5%
EU E2 - luxury	4,224	7,114	-2,890	-40.6%
EU Mini MPV	31,179	78,933	-47,754	-60.5%
EU Medium MPV	3,551	3,870	-319	-8.2%
EU Large MPV	2,252	5,890	-3,638	-61.8%
EU Small SUV	88,134	111,962	-23,828	-21.3%
EU Medium SUV	152,544	284,068	-131,524	-46.3%
EU Large SUV	20,977	30,519	-9,542	-31.3%
EU Luxury SUV	30,861	54,699	-23,838	-43.6%
EU Sports	4,228	6,780	-2,552	-37.6%
EU Pickup	1,421	2,983	-1,562	-52.4%
EU Other	0	2	-2	-100.0%
Grand Total	**1,355,835**	**2,700,658**	**-1,344,823**	**-49.8%**

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 or email 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 information on vehicle specifications and pricing, sales and registrations, news and incentives. The company has representation in over 43 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.

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