

Russian car market will pick up again soon

Current sales figures look bleak. But Russia will soon be one of the car industry's biggest growth markets

Moscow/Munich, October , 2009 –**Car sales fell more sharply in Russia than anywhere else in the world. But experts at the Russia Day of the IAA International Motor Show on September 25 predict this vast market will soon be one of the most dynamic again. Among the speakers at the well-attended discussion forum "Selling cars in Russia – Growth market after the crisis" was car expert and Roland Berger Partner Ralf Kalmbach.**

Two growth scenarios

Kalmbach outlined two scenarios, both of which assume that the greatest negative effects of the economic crisis in the Russian car market will be overcome by 2010 and that we will see a quick recovery. The pessimistic scenario predicts a weak recovery of the Russian market in 2010 and growth to around three million units by 2020. The optimistic scenario predicts a figure of 1.7 million this year and 2 million in 2010, and as many as 3.6 million vehicles by the end of the next decade.

"For carmakers in Russia, whether Russian or foreign, this is news of great strategic importance. Very soon, Russian demand may well exceed current local production capacity of 1.7 million units," said Kalmbach.

Renewed efforts needed

However, Russia must step up its efforts to lay the foundation for a competitive domestic car industry in the long term. "I do not think that the efforts undertaken so far will be enough," Kalmbach warned. "The Russian government would be well advised to set up a master plan for the car industry in their country as soon as possible – for GAZ, AvtoVAZ and suppliers."

Roland Berger Strategy Consultants, founded in 1967, is one of the world's leading strategy consultancies. With 36 offices in 25 countries, the company has successful operations in all major international markets. In 2007, it generated more than EUR 600 million in revenues with 2,000 employees. The strategy consultancy is an independent partnership exclusively owned by about 180 Partners.

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