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**EVOLUTION OF THE STRATEGY OF THE MODERNIZATION AND
DEVELOPMENT OF THE RUSSIAN AUTOMOBILE PRODUCTION INDUSTRY**

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Competitiveness of the Russian automobile production industry, in spite of its lasting history, is not evident. Today, when foreign automobile producers have come to the internal market, the level of competition has increased and there is a real threat that the production of Russian automobiles may be suspended.

The analysis of the reasons of noncompetitiveness shows that the Russian industry is unable to reduce technological inferiority by itself. The original strategy of modernization and development should be based on foreign technologies, management and quality control standards.

Soviet automobile production industry had a large positive experience of cooperation with foreign producers (Ford, Renault, Chrysler, FIAT). But this cooperation wasn't long-term and complex. Today it's necessary to provide conditions for the efficient import and adoption of technologies and standards, to diversify their sources and make this a long-term process.

Today the necessary mechanisms for realization of the strategy of modernization and development of the automobile production industry already exist.

First of all, these are the assembly modes that already work in Russia and are based on localization factor. In 1997 the first plant for the knocked down assembly of foreign models – “Autotor” - was built, but the effect of such a mode for the industry and the economy in whole was minimal. Gaining of real foreign experience began in 1998, when TagAZ (Taganrog) was built and the licensed assembly mode was realized. Beside TagAZ now there is another working plant with the licensed assembly mode (Sollers). Special attention should be paid to the mode of industrial assembly which started in 2002. Today the following plants work in this mode: "IzhAuto", “Autoframos” (Renault), Ford Motor Company, Toyota Motor, GM group corporation (Opel and Chevrolet), Nissan и Volkswagen Rus.

The more advanced form of cooperation that includes both localization and the factor of direct access to technologies is strategic alliance. The first experience was the agreement signed by “AutoVAZ” and Renault in 2007 (joint production of automobiles under the brand Lada). The second strategic alliance is likely to be the agreement between JV Sollers and FIAT which was signed in February of 2010.

One more important factor of the industry modernization strategy is the automobile industrial cluster forming in Leningrad region. Today the end-use and components productions are already

built and working, the conditions for competition between the producers that stimulate increasing the level of localization are created.

The first element of competitiveness of the industry development strategy is its complexity that suggests participation of a number of foreign automobile producers. It will provide technologies of different levels and use and help to address negative consequences of the end of cooperation with a single producer (as in 1970-ies when FIAT left). The second element is long-term cooperation. The cooperation of the USSR and FIAT lasted for only 8 years, while TagAZ and Hyundai cooperate for more than 10 years that allowed creating the new Russian model Vega based on Korean technologies and gaining valuable experience.

Thus, we started from the knocked down assembly and turned to the modes that allow creating new Russian models on the basis of foreign technologies and strategic alliances that make possible the direct import of technologies of complicated knots and components. The Russian strategy of modernization and development of automobile production industry is original and unique. Now there's no need to copy the foreign experience and try to fit it to our conditions. In case of successful realization of the Russian automobile industry development strategy its technological lag will be reduced, and there will be a new growing point in economy based on the industries of high degree of technological conversion.