

**Hyundai Mobis to Build a Plant in Russia**

The second stage of the industrial assembly operations has started. Hyundai Mobis parts plant and Hyundai's St. Petersburg-based plant are expected to be up and running in 2010.

The parts plant is expected to produce steering elements, chassis, frames and body parts.

Hyundai Mobis' plant is a landmark project for the Russian motorcar industry. With this facility, the share of the locally produced parts might climb to 10%, which is far higher than in other starting projects.

In future, another ten Korean motor vehicle parts producers might establish their facilities in Russia.

This will positively impact the production localization, which is the principal condition for successful upgrading of the Russian motorcar industry and technology transfer.

Importantly, cars to be produced at the Leningrad region plant will be brought to the external market, Dong Jin Kim, Hyundai Motor's executive director, said in a statement. Provided the production localization coefficient rises, the Russian motorcar industry will enter the global market with competitive products. Thus, industrial assembly operations can lead to expansion of external markets and enhancement of import substitution industrialization.

Provided all mentioned requirements are observed, Russia will have another source of economic growth.

By Kirill Lebedev