

Russian Machine-building Industry Performance in 2007

The Ministry of Industry and Energy has announced the results of the machine-building industry performance in 2007: the output increased 19.3% compared to 2006.

Production growth by the industry sectors

	Growth, %
Hydraulic turbines	89.1
Gas turbines	19.7
Wheeled tractors	34.7
Truck-mounted cranes	31.9
Automobiles and trailers	15.4
Motorcars (90HP+)	90
Trucks	16.4
Long-haul diesel locomotives	35.6
Shunting diesel locomotives	20.6
Railroad passenger cars	17.1

Source: Russian Ministry of Industry and Energy

The growth in the construction machinery production is connected with the housing boom observed in Moscow and other Russian cities, more railway equipment is required due to the Russian Railways fleet expansion and upgrading.

The increase in the 90HP+ motorcar production has been caused by local assembly promotion owing to which more foreign cars are assembled in Russia. This sector is likely to continue expanding in the near future. The plants, that are presently under construction and that will be up and running soon, will feed the production growth. The sector of motorcars 90 HP and above, including the domestically produced models, might slow down however due to a tougher competition which is expected to sharpen immediately after 2010 - a completion date for the construction of the most local plants of the world's leading automakers.

The reported results prove that production growth in the Russian machine-building industry depends mostly on the domestic demand expansion that is an underlying factor in any economy.

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