

Truck assembly to be boosted

Truck assembly program might be reinforced in the time to come. Similarly to the car market, the truck market is booming. Domestic truck makers are ramping up production, but lack of facilities is impeding the process; and some trucks required for the market are not manufactured in Russia.

Truck producers consider construction of plants in Russia much more thoughtfully.

MAN and Scania who reported earlier their intent to build plants in Russia are likely to postpone taking any particular decisions.

Their hesitations are caused, on the one hand, by rising demand for trucks in other markets (building plants in Russia will not eliminate the deficit on the global market), and, on the other hand, by Russia's uncompetitive car part facilities. Although seeking to cut down production costs and produce parts in Russia, carmakers will not have the quality of their produce declined. Their failure to fulfill the localization requirements might put them into a conflict with the government; this will worsen the prospects of this expensive project.

The issue can be settled through construction of car part making plants in Russia with more up-to-date facilities and arranging refreshers for the manpower. Despite localization expansion will take more time in this case, favorable conditions will be created for enhancing assembly process and transfer of foreign truck producers' technology.

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