**Steady growth forecast to 2021 for Russian bus and coach market says analyst**

Moscow – The market conditions in Russia are improving and demand for buses and coaches is expected to grow gradually over the next five years to 2021, according to Tatiana Arabadji, director, Russian Automotive Market Research (www.napinfo.ru) during a presentation at **Busworld Russia** in Moscow last month.

Ms Arabadji said that the market is made up of more than two thirds Russian buses and that more than 40% of the approximate 412,000 buses in Russia today are over 20 years old, making the replacement market for buses and coaches stronger each year. Demand for new buses and coaches since the economic crisis began in 2013 has fallen sharply; in 2014 the market fell by 27% to some 11,000 units and then by a further 18% in 2015 to register some 8,000 units. The market for buses and coaches in 2016 is expected to plateau and even increase marginally, Arabadji indicated.

The majority of the buses being specified remain low cost models. The small to medium size bus market is dominated by petrol powered vehicles. In the large bus segment there has been a significant shift to gas powered buses (compressed natural gas (CNG) powered models) – Arabadji suggested some 3,000 CNG powered new buses had been introduced into the market since 2013. This is due to the high availability of natural gas in Russia and at a low cost. Arabadji added that whilst there has been a general shift in the supply of buses and coaches towards the low cost domestic manufacturers since the crisis, there had been a marked increase in registrations of Chinese and Korean imports prior to this. Whilst the number of imports has decreased over the last three years, Asian manufacturers are expected to recover their market share after the crisis, Arabadji forecast.

**GAZ expects to start delivering e-bus version of Gazelle Next in 2017**

Nizhny Novgorod – According to Pavlo Serida, head of LOV and car at the **GAZ Group**, GAZ is well advanced with an electric bus model of the Gazelle Next, which is undergoing tests right now with customers. This electric version of the Gazelle Next has been homologated already and that it was expecting to deliver some 200 electric buses from the middle of 2017. It currently has a range of 100km on a single charge, although it is still working on extending that range with use of different batteries (the latest being batteries from LG Industries in South Korea) depending on course of the duty cycles. He added that there were different charging options including overnight charging, rapid charging and both. GAZ, he said, does not see charging infrastructure as an issue as it plans to work with a number of suppliers to provide solutions to meet customer need through its dealer network.

**MAZ displays upgraded intercity bus model in readiness for FIFA World Cup**

Minsk - **MAZ (Minsk Automobile Plant)** of Minsk, Belarus is pleased to present its latest version of its inter-urban / intercity coach MAZ231 in ‘football’ livery by way of example of its readiness for supplying a full range of city buses, intercity and coaches for the World Football Championship to be hosted by the Russian Federation in 2018.

The show model featured the Alla Sudnik, PR division chief, explained that the vehicle was equipped with a Mercedes-Benz Euro 5 engine (OM 926 LA 326hp) and matched with manual ZF gearbox. New features include LED lighting in the interior and new, more comfortable seats (49 or 51). Sudnik said that MAZ has concluded an agreement with the Russian cities involved in hosting the World Cup (Ekaterinburg, Kaliningrad, Kazan and Moscow) for the supply of vehicles both city bus and coaches; it has already sent 58 CNG city buses to Ekaterinburg. MAZ benefits from being part of the custom free zone between Russia, Belarus and Kazakhstan. It exports more than 70% of its buses and coaches to Russia. Sudnik said that in 2015 MAZ built more than 700 large (12m+) buses and 867 in total at its full production facility in Minsk. This year the number is expected to increase further; it has a capacity to be some 1,000 units a year. Other export markets include Poland, Azerbaijan and Serbia.

Sudnik said it was working on export agreements for other markets such as Africa and has developed a special prototype of the MAZ 1031 model, which has an enlarged luggage compartment and an upgraded more robust chassis. The prototype is Euro 5 compliant and is undergoing tests.

Another project underway is the design and testing of an electric bus. It already has experience of electrically powered vehicles as a producer of electric trolleybuses – it has a joint venture with Belkomkhass, who supplies the electrical components. MAZ also announced that it was working with Germany’s Voith to re-introduce the DWA automatic transmission to its range. MAZ said it was working to incorporate it first in its three door low floor city bus model. Currently, in most city bus models it offers the ZF Ecomat manual or Allison automatic transmission.

**Scania Russia plans to launch Scania Touring on Russian market next year**

Moscow / Sweden – **Scania Rus LLC** of Moscow is planning to introduce its Chinese built luxury coach, Scania Touring on the Russian market from 2017, according to Ruslan Khomyakov, project manager, Scania Higer, buses and engines department in an interview with Truck & Bus Builder at the show. Khomyakov said that he was waiting on his colleagues receiving type approval compliance with the latest in roll-over regulations, R66-02. Confidence is high that approval will be achieved soon, given that Scania Russia has a number of vehicles on order and that they will be shipped from Suzhou in China on receipt of the type approval. A Scania Touring was on display at the show for visitors to see and evaluate. Two 12m (2-axle) versions will be available; one with a toilet and kitchen area (49 seats) and one to maximise passenger seats (51), Khomyakov stated. Three axle coach versions will have 57 and 59 seats.

Khomyakov said that prior to the Russian economic crisis in 2012/13, there had been rising demand for foreign vehicles and whilst orders had fallen significantly, he was confident that when the crisis end demand for foreign vehicles will rise strongly again, Scania today only assembles trucks (mainly tippers) at its plant in St Petersburg; it previously assembled city buses for a short period until 2010. Khomyakov said that it was in the business of supplying Scania chassis, namely for the intercity coach and tourist markets: On the stand it displayed the LIAZ-5251 Voyage (the body builder, LIAZ, is part of the GAZ Group and is located about 100km from Moscow), which is built on the Scania K250IB Euro 4 chassis for intercity coach markets. The other chassis supplied to the Russian market is the Euro 5 compliant K400IB unit for high-end coach body builders – the LIAZ Cruise tourist coach uses this chassis. Both chassis are offered with Scania engines and Scania’s own gearbox, Opticruise; the chassis are built and imported from the group’s European chassis plant in Södertälje. So far, LIAZ is the only Scania body building partner in Russia – it has been working with LIAZ as an approved partner for the Russian market

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**Areas covered include company performance, new products and technology, statistical information, environmental developments, mergers and acquisitions, joint venture agreements, new companies, contracts and orders, legislation, comments and analysis, appointments and events and exhibitions.**

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**Show Report – Busworld Russia**

**News from Busworld Russia held in Moscow October 25 to 27 - Extract from T&B Builder January 2017 Volume 39 Issue 1.**
since 2013. At present, Khromyakov pointed out, it was permitted to sell Euro 4 compliant chassis, from 2018 all chassis would, however, need to comply with Euro 5 emission control regulations.

With rise in natural gas powered vehicles, Khromyakov said that it had sold a CNG-powered chassis (a Cummins engine, ZF transmissions and axles, Firestone air bellows, and SAF-Holland China (Corpo) axles etc. He said that it offered intercity and tourism coaches compliant to European standards from 8m and 9m to 12.2m on two axles and 13m on three axles. He said that it had sold 196 coaches from 2005 to 2015 and that Larubin added that it was constantly working with customers to further develop its products for the Russian market.

The company’s vehicle supply policy is two-fold; it buys in models specified by King Long for the Russian market and has some stock of vehicles which a fleet owner can buy it directly from the dealer or it builds to the customer’s own specifications.

New school bus version of GAZ Gazelle Next

Nizhny Novgorod / Turkey – GAZ Group Commercial Vehicles LLC of Nizhny Novgorod used Busworld Russia to unveil its latest school bus version of the Gazelle Next platform. Pavlo Serida, head of LCV and car at the GAZ Group was on hand to explain the new features included in the vehicle. He pointed out access was via a low-entry floor at the centre of the vehicle and that it offered a 22-seat capacity (it can also be configured with 4-point seat belts). This vehicle, which runs on LPG, he said, had been designed especially for the city of Moscow due to a special programme. This vehicle platform, he continued, has been developed over the past four years with outside consultancies and features full independent front suspension; two variants are offered, one at 3.5t and one at 4.2t. The vehicle complies fully with European homologation or build standards.

The Gazelle Next is built in two plants; the Dorky Automobile Plant (GAZ) in Nizhny Novgorod and the Mersa Otomotiv plant in Sakarya (150km from Istanbul), Turkey. The Gazelle Next SKD assembly operations in Turkey began two years ago in September 2014. (Key components and systems of the vehicles are delivered from Russia, while some systems like shafts, wheels, batteries, and braking system elements, are purchased from Turkish manufacturers).

Other versions of the latest Gazelle Next include van, minibus and chassis cab (single and double) – in fact it has two product ranges, Gazelle Next which is a high cost variant (popular in Turkey). Both versions have been homologated to Euro 5 and it will start sales of Euro 5 compliant models in Turkey from January 2017. (By homologating before January 2017, this will permit GAZ to sell its Euro 5 range in Turkey during 2017 under derogation rules for vehicles 4.9t gvw and below. Both its Gazelle models’ gross vehicle weight fall below the 5t and above gvw cut off weight, which Turkey regulated needed to meet Euro 6 emissions compliance from January 2016). Russia currently is Euro 4 for LCVs but this emissions norm is expected to change to Euro 5 from 2018 – so it is already able to comply with the Euro 5 emissions level due to Turkish legislation. Serida said that GAZ was also now working on its 4t and 5t models which is from the base model range it was planning in the future. A number of different fuels are offered – they include LPG, LNG, petrol and diesel – all engine types are built in house.

Currently, exports (excluding CIS countries, which it does not consider as export) account for up to 20% of the total market, Serida said that it aims to expand its sales to 25% over the coming years. The market for LCVs in Russia has shrunk the past two years. Two years ago in 2014, he said, GAZ produced approximately 100,000 LCVs (ie >7m); last year the market declined 15% and this year it is down another 8%; he said the company this year (2016) to produce just 65,000 LCVs.

GAZ launches low floor midi city bus at show

Nizhny Novgorod - GAZ Group Commercial Vehicles LLC of Nizhny Novgorod used Busworld Russia to show its medium-sized 9.5m three-door midi and rear low floor city bus for urban transportation, the LAZ 429260 or otherwise called Kursor. The vehicle has in fact been in the market for a year. It is designed, said Maksim Karov, marketing director for the large bus division, to reduce both capital and operating cost for the fleet operator.

For instance, it is fitted with a 4-cylinder Euro 5 YaMZ (rather than the more common 6-cylinder variant) and a specially developed rear drive portal axle designed and made by ZF and fitted with smaller 19.5m wheels. Also new on this vehicle this modular system, he said, is ‘a large’ – the structure too is a new modular system, which it will extend to other larger buses.

Karov pointed out that the majority of new city buses were now fully low in Russia, although the majority of vehicle operators were US or European longer. However, its 9.5m city bus has become the most popular in the city and suburbs of Moscow the past year.

Yutong looking for CKD assembly partner

Moscow / St Petersburg / China

Zhengzhou Yutong Bus Co Ltd, which has sales offices in Moscow and St Petersburg and has been importing and selling intercity and tourism coaches in Russia since 2004, is looking for a CKD assembly partner to allow it to become more competitive and to remove the import tax of up to 18% it currently pays bringing its fully built coach models in the Russian market. No such partner, however, as yet has been identified, cautioned representatives for Yutong Russia at the show. Until 2013/14, it had an exclusive distributor in Russia. Since then its strategy has changed and it has been building a network of independent dealers across Russia. It now has 14 dealers across Russia. Yutong Russia is responsible customs clearance for the vehicles to Russia and Belarus and for parts management through its warehouse in Moscow. All other markets in the CIS countries are managed by Yutong China directly.

Yutong prior to the Russian crisis enjoyed strong sales in Russia and during the last decade said that it had managed to export more than 2,500 units into Russia. However, during the last two years it has only managed to sell a small number of 150 units (75 units on average a year) of four models, two of which were on display; model ZK6933HB, 9.4m midicoach with Yuchai engine 7.8-litre engine and capacity for 39 and the 12m ZK6129 model with 59 seats. (These two models were introduced this year). It also sells two city bus models; for instance, this includes the 5.8m ZK6852H4 low entry city bus with seating for up to 20.

Yutong Russia said that the market in 2016 would better than 2015 as the market was picking up due to more stable exchange rate. It also now has some good dealer partners, which are making a lot of effort to attract business. For instance, it was the local Moscow dealer that was exhibiting the new model. In 2018 it plans to expand its portfolio by introducing two more models onto the Russian market.

Kinglong Xiamen optimistic for business with world cup looming in 2018

Nizhny Novgorod - Having been in the Russian market since 2007, Trading House King Long LLC based in Nizhny Novgorod – a subsidiary of Xiamen King Long in Xiamen, China – used the show to display two tourist coaches – a gas-powered version of the XMQ6903 midi-coach with a Yuchai 260hp Euro engine and its most popular tourism model XMQ6129 with a Cummins ISLe 340hp Euro 4 engine (the Yuchai 375hp is an option).

The electric city bus on the stand was a second generation three-door full low floor city bus. Ivanovic said that it has a new body (interior and exterior) and driveline and that it was now being tested. It is available with a single overthrow charge giving a range of some 90km or with the option for fast charging of up to 80% within 5-10 minutes at the terminal stations. Ivanovic indicated that there was little demand for electric buses at present in Russia – there was only one electric bus operating in Russia currently – and that the preferred alternative fuel was CNG. The government, Ivanovic said that it said sold some 665 NefAZ buses domestically in 2015 and that some 70% were powered using natural gas with Mercedes-Benz engines, imported from in Germany. For 2016, it plans to sell a similar number.

Show Report – Busworld Russia

Naberezhnye Chelny / Brazil – The sales organisation of the five-year-old joint venture, KamAZ-Marcopolo, set up (2011) to build small and medium sized buses at the KamAZ main plant in Naberezhnye-Chelny and that of KamAZ’s bus division, NefAZ, a specialist in large city buses, is to be merged under the end of the year. The purpose of which is to cut cost and consolidate the sales operation, according to Stanislav Ivanovic, sales director at NefAZ in an interview with Truck & Bus Builder at the show. Currently, both organisations have their own sales teams.

On the stand were four vehicles – a passenger coach (model 5299-30-42), a low floor gas-powered city bus (NefAZ 5299-40-51), a KamAZ low floor full electric city bus and a suburban coach called Bravis (with a locally built Marcopolo body and Cummins engine). All chassis are built at the KamAZ manufacturing plant in Naberezhnye-Chelny, while the bodies are built in two locations; those to Marcopolo designs are built in Naberezhnye-Chelny and those by NefAZ at its plant in Naberezhnye-Chelny. The electric city bus on the stand was the second generation three-door full low floor city bus. Ivanovic said that it has a new body (interior and exterior) and driveline and that it was now being tested. It is available with a single overthrow charge giving a range of some 90km or with the option for fast charging of up to 80% within 5-10 minutes at the terminal stations. Ivanovic indicated that there was little demand for electric buses at present in Russia – there was only one electric bus operating in Russia currently – and that the preferred alternative fuel was CNG. The government, Ivanovic said that it sold some 665 NefAZ buses domestically in 2015 and that some 70% were powered using natural gas with Mercedes-Benz engines, imported from in Germany. For 2016, it plans to sell a similar number.
GAZ Group signs local assembly agreement with SeMAZ in Kazakhstan

Russia / Kazakhstan - GAZ Group of Nizhny Novgorod, a member of diversified industrial group, Basic Element, has signed several memorandums relating to the commercial assembly of a wide range of vehicles in Kazakhstan with local company, SeMAZ TOO.

GAZ states that from January 2017 it plans to start delivering vehicle kits for its full range of commercial vehicles for assembly by SeMAZ in Semey, East Kazakhstan. Vehicles are to include the light-duty GAZelle NEXT and GAZelle Business trucks, its medium-duty GAZon NEXT and the heavy-duty Ural NEXT trucks, as well as small, medium and full size city buses and coaches. Pilot deliveries of assembly kits began last September with GAZelle NEXT frame for buses, GAZelle Business drop-side trucks and LIAZ buses. The project is a continuation of cooperation between GAZ and SeMAZ that started in 2013, when SeMAZ started manufacturing Ural-4320 off-road tractors in Kazakhstan. The production of this model at SeMAZ is expected to continue alongside the Ural NEXT.

Vadim Sorokin, president of GAZ Group said Kazakhstan remained a priority market. Sorokin added that it controls 65% of the Kazakhstan market today and this new arrangement to assemble within Kazakhstan should further increase its foothold in the region as well as expand the product range offered to customers there. According to ASM-Holding, in the first eight months of 2016 Kazakhstan registered 6,175 new cars (+29.4% year-on-year), 1,097 trucks (+5.2%) and 91 buses (+43.3%).

GAZ starts sales of new Gazelle Next minibus range

Russia – The GAZ Group of Nizhny Novgorod (part of Basic Element) has begun sales of the Gazelle Next minibus range through dealerships in Russia and the CIS countries. The new 6,245mm long, 17 passenger vehicles are derived from the GAZelle NEXT panel van; sales of which began in the second half of 2016.

The bus is designed for transporting up to 17 passengers (16 seated and one standing). The bus has a sliding door with electric drive and high door aperture coupled with a low door step providing for easy entry and exit. The bus body is made of galvanized steel while some of its elements are made of high-strength glass fibre. This ensures a long service life and good anticorrosion properties to the vehicle. It also has good noise insulation. GAZelle NEXT minibuses are offered with three types of engines: a Cummins ISF 2.8-litre diesel unit and a petrol and a gas-petrol variant of the UMZ Evotech 2.7 family.

In preparation for production of the new generation NEXT model at the Gorky Auto Plant, the GAZ Group has modernized its production lines. This has included expanding the number of lines dedicated to automatic stamping, welding and painting, as well as a reorganization of one of the general assembly lines. These works now allows the line to weld, paint and assemble cargo panel vans and minibuses in one highly flexible way and has been a response to the changes in market demand.

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Venue: IEC Crocus Expo, Moscow
Organizer: ITEMF
Contact: Ms. Viola Baumgärtner
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