

# Car Market Could See \$40Bln in Sales in 2011

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Moscow leads the rest of the country in per capita car ownership. Car sales are forecast to boom in the regions. **Vladimir Filonov**

The Trade and Industry Ministry on Wednesday joined businesses in forecasting a rapid recovery of the country's auto market in 2011, as confidence builds that Russia is back on the path to becoming the largest car market in Europe.

"We expect growth in 2011 to be 14.8 percent, reaching 2.19 million units [of cars and light commercial vehicles]," director of the ministry's department for the auto industry Alexei Rakhmanov said, Interfax reported.

The ministry's forecast is slightly more cautious than the Association of European Businesses, which confirmed a 20 percent growth forecast for 2011 on Tuesday after sales shot up 72 percent year on year in January to 127,564 units.

Rolf Group, one of the country's leading car dealers, on Wednesday forecast 2.23 million sales in 2011.

Sales halved in 2009 from a peak of just under 3 million vehicles in 2008, but recovered strongly in 2010 on the back of improved consumer confidence, increasing access to credit and a government backed cash-for-clunkers scheme. PricewaterhouseCoopers estimates the 2010 market value at \$33.7 billion.

Rolf Group's retail branch expects to sell more than 61,000 new cars in 2011, up 44 percent from 2010. The company said it expects to grow faster than the market because of improved efficiencies and a better approach to customers, rather than adding new brands or outlets, with a big emphasis on the regions.

"The regions are the future for every distributor," said Sergei Shchyorbini, executive director of retail at Rolf Group.

The company has 25 showrooms in Moscow and St. Petersburg, representing 10 of the leading international vehicle manufacturers. Rolf estimates that there are 307 cars per 1000 people in Moscow, but only 233 cars per 1000 people nationwide.

Shchyorbini said the western part of the country has 56 percent of the population and 75 percent of the car dealerships, while the 44 percent of Russians who live east of the Urals make do with only 25 percent of the dealerships.

Fast, universal and high-quality auto repair are the differentiators Rolf is using to promote its White Service maintenance brand across the country, in partnership with British car service group Kwik Fit, said Dmitry Rotkin, executive director of business development at Rolf Group.

White Service started in December 2009 and now has 70 service stations run by partners in 46 cities.

By 2015, the White Service hopes to open 450 new mechanic shops in mid-sized cities as part of a plan to expand into the regions and consolidate brand recognition as the market leader in multi-brand, Western-style auto repair.

White Service has signed a 10-year cooperation deal with Kwik Fit, which is a market leader in rapid auto repair in Europe.

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