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Glonass Navigation Begins to Take Off

By Olga Razumovskaya

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Navigation and Innovation Systems Glonass, a public-private partnership between the Federal Space Agency and AFK Sistema, praised their navigation system to the sky at a conference titled "Glonass Solutions in State Enterprises and in Business" on Wednesday, although problems have stalled the growth of the Russian version of GPS.

By 2015, the market volume of Glonass on transport alone will soar by 1,600 percent to 120 billion rubles ($4.3 billion), compared with 7.5 billion rubles last year, said Andrei Ionin, deputy director of strategic planning at Navigation and Innovation Systems Glonass.

The navigation system also helps the state save money as it tracks drivers' movements. Drivers, however, have been resistant to its introduction because they could be fined for traffic violations caught by the system or for not having Glonass installed at their own expense.

While Glonass was initially met with a fair share of skepticism from world chipset producers, now they have realized that "Glonass has arrived for the long haul," Ionin said.

"The ship has sailed. The most important thing is not to lag behind," he said, urging Russian producers to not miss out on a good opportunity and start making their own chipsets. He mentioned that chip manufacturers and companies providing value-added services based on Glonass will be among the main benefactors of the navigation system.

Big state security projects will be among the trendsetters and key market drivers of the Glonass market in the upcoming years, experts say.

Another project, Era-Glonass, or Emergency Response System in Case of Accidents, to alert authorities to accidents and provide victims' locations, is also moving Glonass forward in Russia.

Glonass will be installed in all new cars starting in 2013 and will cost between $100 and $150 per navigation device. The navigation service itself will be provided free of charge, Ionin said, with additional features available for a fee.

Another impetus for Glonass is implementation of the so-called connected car concept, where drivers stay connected via different social networks and devices with friends, family and co-workers, which, experts say, could eventually lead to the invention of autopilot for cars.

In addition to rolling out a comprehensive effort in Russia, Navigation and Innovation Systems Glonass is also placing its bets on the Indian market, Ionin said, where both demand for services and operational costs will be low.

Although he does not see Glonass entering the U.S. or Chinese markets in the foreseeable future, geopolitics will play a key role in Glonass spreading across the globe, Ionin said.

After the failed launch of three Glonass satellites in December, Federal Space Agency head Anatoly Perminov is scheduled to be replaced at the end of the month.

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