The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Ford-Sollers Venture to Make Explorers, Engines

By The Moscow Times

October 02, 2011



Ford Motor Co. and Sollers celebrated Saturday the start of a venture with plans to produce engines and the U.S. automaker's Explorer sport utility vehicles.

The Ford-Sollers venture will make the Explorer at a plant in the Tatarstan republic starting next year, Vadim Shvetsov, head of Sollers, Russia's second-biggest automaker, said at the ceremony in Moscow. Russia will be the second market where this model is produced, after the United States, he said.

Ford is expanding in Russia as the government pushes international carmakers to assemble vehicles in the country and use locally made components. Russia may become Europe's biggest car market by the end of the decade, with sales reaching 4 million vehicles, according to the Association of European Businesses, of which Ford is a member.

"The Ford-Sollers joint venture will help us accelerate our plan to offer a full lineup of world-

class vehicles to Russian customers," Ford chief executive Alan Mulally said, according to a statement on Sollers's web site. "This partnership marks another important step in our One Ford plan to profitably grow around the world."

The venture will also build a plant with the capacity to manufacture 180,000 to 200,000 engines a year, Shvetsov said. It will be responsible for the import and distribution of all Ford-brand products.

Ford and Sollers named Ted Cannis chief executive of the venture and Adil Shirinov, a Sollers executive, as chief operating officer, Mulally and Shvetsov said at the ceremony. Cannis had been vice president of the Michigan-based automaker's Turkish unit, Ford Otosan.

The board of state development bank VEB approved a loan of 39 billion rubles ($1.2 billion) for 10 years for Ford-Sollers, chairman Vladimir Dmitriyev told reporters Sept. 27.

Under rules this year, carmakers assembling vehicles in Russia must pledge to source engines, gearboxes and 70 percent of components locally to avoid tariffs of as much as 30 percent on overseas parts shipments.

Original url:
https://www.themoscowtimes.com/2011/10/02/ford-sollers-venture-to-make-explorers-engines-a9886