

British Construction Equipment Maker Not Ready to Localize

By [The Moscow Times](#)

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A JCB excavator digging near the Sanoma Independent Media building. **Vladimir Filonov**

David Hill, the country chief of the world's third-largest construction equipment maker JCB, said Friday that Russia was not a big enough market for setting up a local production unit.

"Localization still remains a problem," he said at a conference.

His comment came months after the company opened a \$100 million plant in Brazil in September to capitalize on that country's major spending on infrastructure improvements.

Despite having no production capacity in Russia, Britain-based JCB leads its rivals in sales of some types of machinery on the Russian market. Its excavators and loaders are a frequent sight around Moscow.

Volvo is the latest foreign competitor to start producing construction equipment — excavators — in Russia, with a grand opening in May. John Deere and Komatsu are some

of the other international heavyweights that operate plants in the country.

Last year, Russia purchased \$715 million worth of American-made construction equipment, up 10 percent from the previous year, according to the U.S.-based Association of Equipment Manufacturers.

In addition to the modest size of the market, choosing a location for a local plant would be a challenge, Hill said. He praised the Kaluga region as a "good place to invest," but said there was a risk of a labor shortage.

Hill also lamented the lack of opportunity to remanufacture equipment, saying it requires a change in Russian legislation. The capability to refurbish used products locally by renovating their components would make the machinery more affordable and be a positive step for the environment, he said.

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