

Mercedes Could Be Hit by Ban on State Vehicle Imports

By [The Moscow Times](#)

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Other foreign brands like BMW already have production lines in Russia, at Kaliningrad-based car plant Avtotor. **Maxim Stulov**

The Industry and Trade Ministry has finalized a draft decree that proposes banning state organs from buying imported vehicles, and Mercedes could fall under the ban unless it sets up production facilities in Russia, a news report said Monday.

The draft also contains an expanded list of vehicles whose import won't be permitted if the decree passes into law, Deputy Industry and Trade Minister Viktor Yevtukhov told Vedomosti.

In an earlier draft, the rules were applied to passenger cars, buses, trolleys, trucks and special vehicles, Yevtukhov said. However, following consultations with manufacturers and representatives of the Federal Anti-Monopoly Service and the Economic Development Ministry, the decree was expanded to include cranes, pipe laying machinery, forklifts, trailers

and trams.

The ban will not have much effect on the bus and truck markets since most of these vehicles are already made in Russia, said Vladimir Beshpalov, an analyst for VTB Capital.

Audi and BMW, which are among the preferred car brands for Russian officials, also have production lines in the country. Mercedes, on the other hand, doesn't currently have production facilities in Russia, which puts it at risk of being hit by the ban.

But Mercedes could set up its own factories in Russia if managers decide that it is viable to do so, Beshpalov said.

The government bodies involved will agree on the final document next week before submitting it to the State Duma for consideration. The new rules are expected to come into force on Jan. 1, Yevtukhov said.

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