

KamAZ Sees Pressure With WTO Entry

By [The Moscow Times](#)

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KamAZ fears it is heading into a tougher market due to price competition once the country accedes to the WTO. **Mike Solovyanov**

KAZAN — Truck maker KamAZ could see a reduction of its market share due to price competition from other manufacturers after Russia joins the World Trade Organization.

"Will our efforts suffice when Russia joins the WTO, when structural business reform should continue further? We have not yet achieved the technological level we need," said KamAZ general director Sergei Kogogin last week, Interfax reported.

Kogogin, who was speaking at a joint session of the Tatarstan economy, industry, trade and energy ministries in Kazan, said he believes that WTO membership could bring price competition and a loss of market share. "We need to look for mechanisms associated with reorientation onto other horizons. This will be linked with further spending cuts, optimizing production processes and sharply increasing labor productivity," Kogogin said.

The company's business plan forecasts revenue of 123.5 billion rubles (\$4.1 billion) and truck

sales of 48,600 units in 2012 — up from 45,200 last year, of which 6,000 were exported.

Kogogin is concerned that other factors could create serious restrictions to company development. "That will either prevent us from carrying out our plans, or the cost of these plans will be very high. There are various restrictions that will prevent us from developing according to the strategy that we have developed," he said.

Beyond macroeconomic risks, Kogogin expressed concerns about domestic threats to his business, including insufficient transport infrastructure development and issues involving energy supply.

The company's majority shareholders are Russian Technologies, Troika Dialog and Germany's Daimler.

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