

Michelin to Invest \$44M in Davydovo Plant

By [The Moscow Times](#)

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The  **Moscow Times**

Michelin intends to invest 35 million euros (\$43.96 million) this year in the development of its tire factory in Davydovo in the Moscow region, as well as a logistics base in Russia and the Commonwealth of Independent States, Interfax reported Wednesday, citing Thierry Chiche, chief of Michelin in Russia and the CIS.

These funds will first and foremost be used to expand the size range of tires produced at the Davydovo factory, he said at the Moscow International Automobile Salon.

Between 2000 and 2011, Michelin invested a total of 150 million euros in the development of its business in Russia and the CIS, Chiche said.

The company's tire factory in Davydovo has been operating since 2004. Its production capacity is 1.5 million to 2 million tires a year. The factory turns out summer and winter light tires with a diameter of 13, 14, 15 and 16 inches.

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Renault is also expanding its Russian business. Avtoframos, the automaker's plant in Moscow, plans to increase its production capacity this year by 17 percent to 180,000 vehicles, Renault chief in Russia Bruno Anselin said at the show.

Anselin said that Renault had initially planned to increase Avtoframos' capacity to 175,000 automobiles, but because of high demand for the Duster SUV the French company had decided to make work schedule changes to increase its output.

During the first half of this year, the plant increased vehicle output 21 percent to more than 81,000.

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Mitsubishi Motors expects to start producing its Pajero Sport model in Russia next year, the company's president Osamu Masuko said at the show.

According to a Mitsubishi spokesperson, dates and volumes are currently under discussion.

Production of the new Outlander model in the city of Kaluga will begin in November, Masuko said.

Mitsubishi produces some of its vehicles for the Russian market at a joint venture with Peugeot Citroen in Kaluga. The Japanese company expects to sell 150,000 vehicles on the Russian market by 2015.

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Volkswagen intends to resume assembly of Audi cars in Russia in the middle of next year.

The decision has been made, but Volkswagen cannot yet say which models will be produced, said Rupert Stadler, chairman of Audi's board of directors.

Semi-knockdown Audi assembly might start in Kaluga in the middle of 2013. There are plans to assemble around 10,000 Audi vehicles in the first stage, with the Q5 and Q7 among the possible models, Stadler said. He did not specify the amount of investment in resuming Audi assembly in Russia.

Audi vehicles were assembled in Kaluga in 2009 to 2010.

Meanwhile, GAZ Group intends to launch mass production of GAZel-Next light commercial vehicles next February, the group's president Bo Andersson said at the show.

The price tag for this model will start at 700,000 rubles (\$21,814), with the 2013 production plan envisaging 22,000 vehicles. Sales of this new-generation LCV will start next March, he said.

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