

# Russian News

## BelZAN Became the First Supplier of Fasteners for Volkswagen in Russia

The Belebевский plant "Avtonormal" (part of the "RT-Capital" of the state corporation "Rostec") became the first Russian supplier of fasteners for the Russian division ("Volkswagen Group Rus" LLC) of Volkswagen.



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An agreement was signed for a period of four years, according to which the company will annually supply more than 9 million parts for Volkswagen and Škoda passenger cars. The plant's products are already used in the assembly of bodies and the installation of units at the Kaluga plant and in a separate division of the mentioned automaker in Nizhny Novgorod. Under the contract, the enterprise has mastered the production of twenty new types of fasteners with increased corrosion resistance.

As noted by General Director of "RT-Capital" Kirill Fedorov, last year, thanks to the support of the Ministry of Industry and Trade of Russia, the authorities of Bashkiria and the state corporation "Rostec", represented by "RT-Capital", it is possible to prevent the bankruptcy of the enterprise and begin the process of its stabilizing.

The press release clarifies that the share of BelZAN in the Russian market of fasteners for the automotive industry is about 36%. The plant is the main supplier to KAMAZ and AVTOVAZ.

## New Course for Localization of Auto Components Production for the Recovery of Industry

The Ministry of Industry and Trade of Russia, together with the Industrial Development Fund, are planning to launch a grant program for the localization of the production of auto components in the Russian Federation in 2021. "We will launch a grant program for the implementation of investment projects to localize the production of auto components, - said Denis Pak, Director of the Automotive Industry Department, during a meeting with Denis Manturov, Head of the Ministry of Industry and Trade. - We have already pledged 1 billion rubles for grants."

Pak also announced the intention to introduce a point system for the export of auto components, which will allow manufacturers, as well as enterprises of related industries, to join the global supply chains of global car manufacturers.

Will the new measures help the development of automotive fasteners production? At the exhibition Innoprom 2020 Vadim Sorokin, President of GAZ Group, spoke about the loss of the Russian auto component industry: "The result of the industrial assembly regime was the entry into the market of global platforms with a low level of localization in Russia and the displacement of local platforms. The consequence is a contraction in demand for the Russian auto components, disruption of production chains and the departure of some suppliers. In fact, during this period we have lost the auto component industry".

## The Oryol Company to Invest over 100 million Rubles to the Launch of a Fastener Packaging Line

The Expert Council of the Industrial Development Fund (FRP) has approved the issuance of a loan to "SDT-Group" LLC (Oryol Region) for 50 million rubles. The funds will be used to launch a new automated line for fasteners packing. The total cost of the project is 101 million rubles. The new production capacity will be almost 2000 tons of products per month.

## New Equipment Put into Operation at "Parallel"

At the end of October 2020, the company "Parallel" (Orel) launched a high-speed press with induction heaters for hot stamping of turnkey nuts of 18 to 30 mm from steel 40X, 09G2S, st.35, st.45. Earlier in October, new equipment for heat treatment of products, longer than 3 meters, was launched. The new heat-treating unit was used to manufacture embedded products for the foundation of "The Sun of Moscow", the largest Ferris wheel in Europe.

## Ukrainian Industries in the Fight Against COVID

According to sources from Metiz Magazine, many companies in Ukraine are working partly as a result of COVID-19. Additionally, Ukraine made a definitive AD duty determination on certain steel fasteners from China and the rate of 67.4% turmoiled the market. The situation has just recovered since November 2020. Ukraine staged a strict lockdown in January 2021 to curb the spread of COVID.

The only industry in Ukraine that showed growth is the building industry. To reduce unemployment, the Ukrainian government announced a "Great Building Program" that led to growth of 0.2% over the entire building industry in the first 9 months of 2020. Hopefully the Ukrainian fastener industry could grow in 2021. In 2020, the Ukrainian GDP declined about 6% and the import of steel products dropped 20%. According to World Bank, the Ukrainian GDP growth in 2021 is expected to remain modest at 1.5%, rising to about 3.7% by 2023 and the import will recover in the second half of 2021.



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