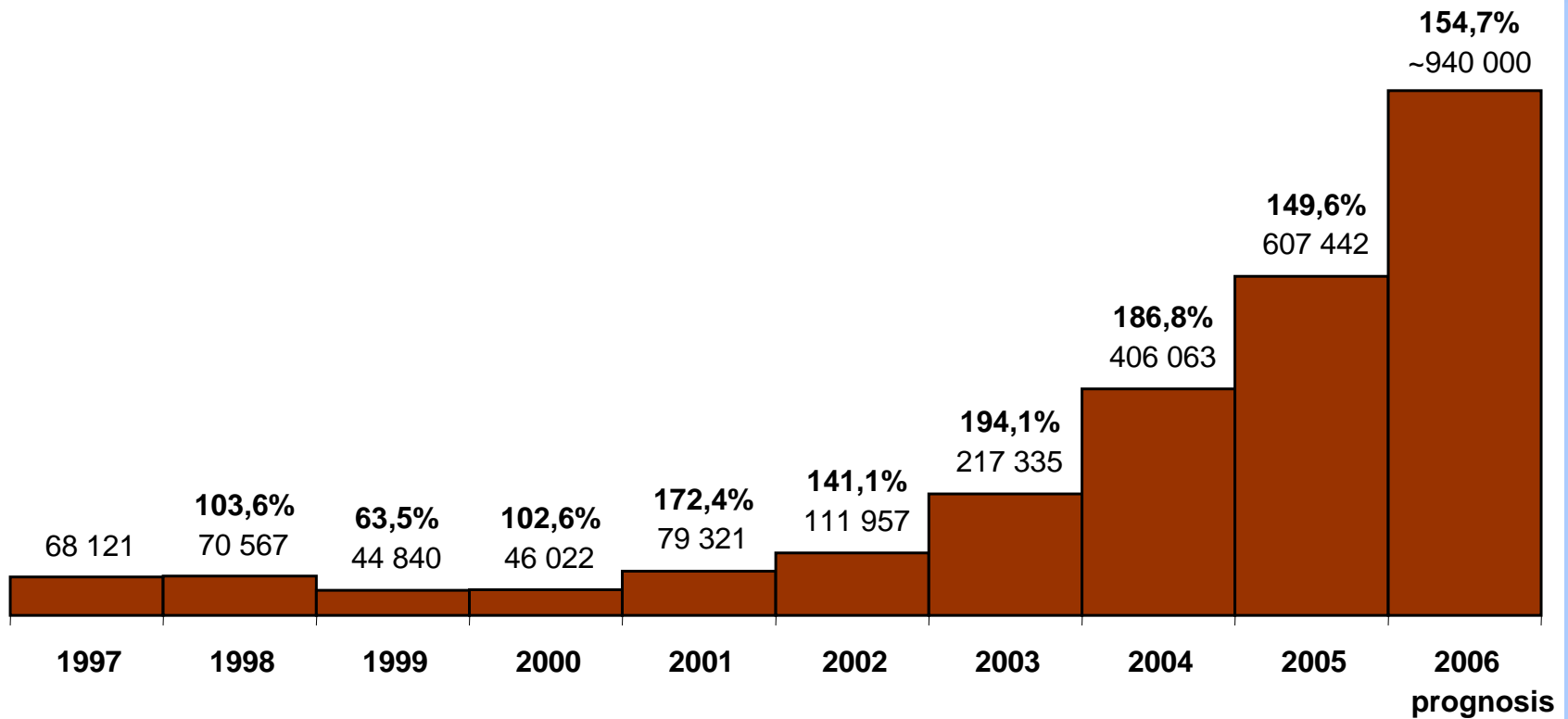




State Investment Policy in Automobile Industry

Total Sales growth in Russia



DECISION OF THE GOVERNMENT OF THE RUSSIAN FEDERATION

№ 166 of March 29, 2005

**ON AMENDING THE CUSTOMS TARIFF OF THE RUSSIAN
FEDERATION WITH RESPECT TO MOTOR COMPONENTS IMPORTED
FOR INDUSTRIAL ASSEMBLY**

**Procedure Determining the Notion
"Industrial Assembly" and Establishing the Application
of the Notion in the Importation into the Territory
of the Russian Federation of Motor Components
for the Manufacture of Motor Transport Vehicles
of Headings 8701-8705 of the CC FEA
and Their Units and Sets**

(approved by Order of the Ministry of Economic Development and Trade of the Russian Federation, the Ministry of Industry and Energy of the Russian Federation and the Ministry of Finance of the Russian Federation No. 73/81/58n of April 15, 2005)

Import of vehicles - 25 %



**Import of
components – 12,5 %**

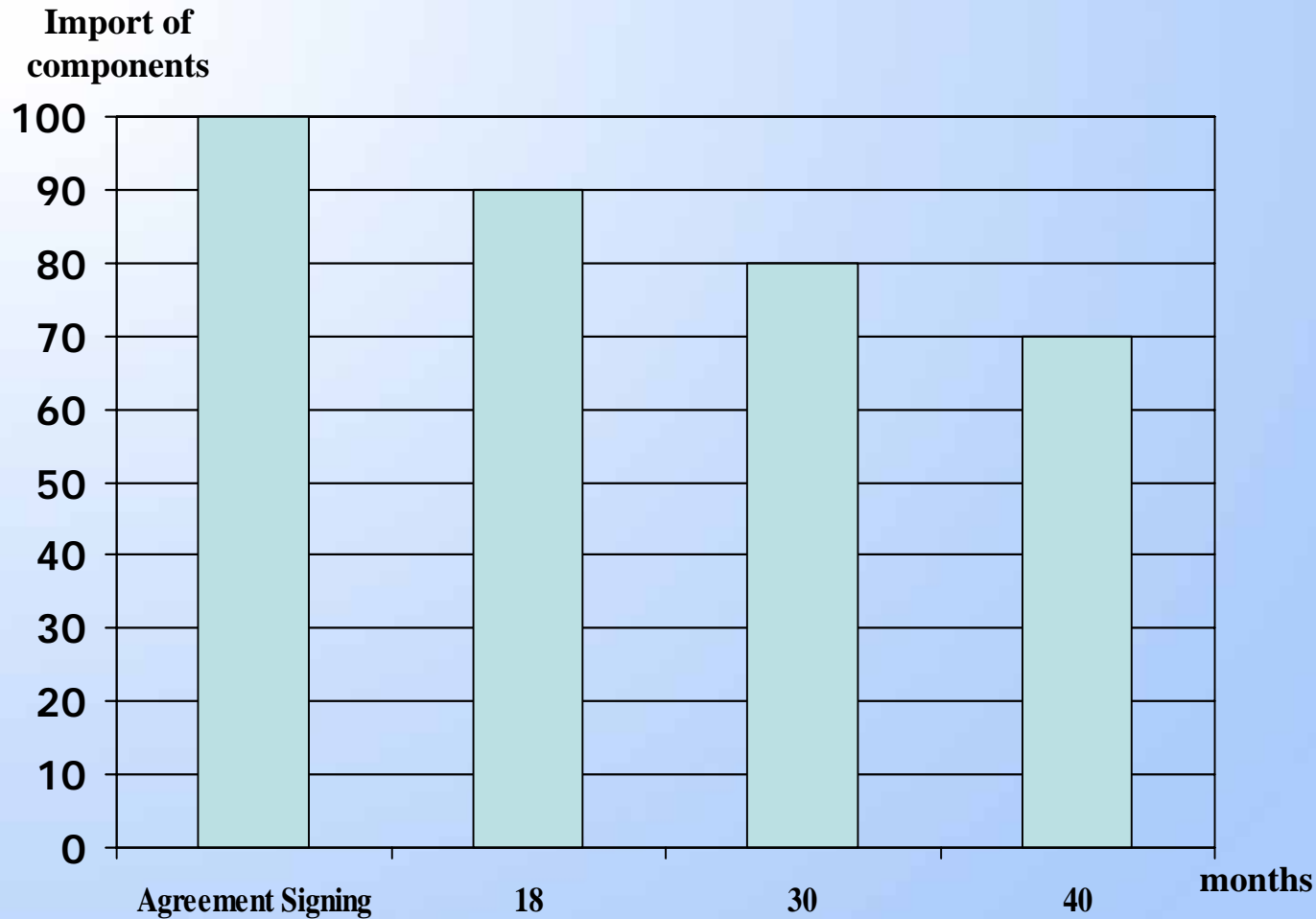


**Import of components for
industrial assembly - 0% for
basic components**



	design production capacities (thousands per year)	obligatory technological operations in production cycle	agreement duration
Internal combustion engines	of a cylinder capacity not exceeding 2.5 l 25	- mechanical working of at least 4 or 2 location parts (cylinder blocks, block head, crankshaft and camshaft; -assembly and control operations, -tests of assembled engines	7
	of a cylinder capacity exceeding 2.5 l 15		
Gear-boxes	articles with a torque of up to 30 kg x m 25	- mechanical working of crankcase parts; - assembly and control operations	7
	articles with a torque exceeding 30 kg x m 5		
Driving Axle	5	- mechanical working of crankcase parts; - assembly and control operations	7
Other	not required	- mechanical working of parts; - assembly and control operations	5

Reduction of import of Components

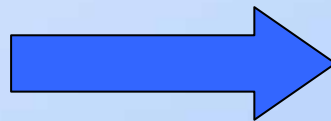


166 Resolution

~ 70 positions

+

Seat parts
Engine parts
Safety bags
Other



Amendments

~ 130 positions



Welcome to cooperation