

THE INFLUENCE OF CRISIS ON THE FINANCIAL RESULT OF ENTERPRISE IN AUTOMOBILE INDUSTRY

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The author considers the influence of the global financial crisis on the activity of enterprises in automobile industry, using the AUTOVAZ as an example. Its financial indices are analyzed, the ways of anti-crisis modernization of the enterprise are developed.

The current period is an unfavorable one for the automobile industry. The economic and financial crisis has strongly influenced the situation in Russian automobile market. The AVTOVAZ, UAZ and GAS were among the biggest car manufacturing plants in the beginning of 2010. However, there is a significant decrease in the volume of production and sales.

The AVTOVAZ illustrates the depth of branch problem. Let's examine the main indices of financial and economic activity of the AVTOVAZ from 2007 to the 1st quarter of 2010 (table 1).

As you can see from Table 1, in 2009 the return from the AUTOVAZ sales decreased by 47.46 in comparison to the year of 2008. As a result of currency exchange rates fluctuation, the growth of inflation rates, the cost of metal and energy resources in 2009, the increase in the cost of imported components has lead to the growth of prices for new passenger cars and, as a consequence, the decrease of consumer activity passenger car market. There was a period of loss from 2008 to the 1st quarter of 2010.

However, the research of the new car sales results shows that the AVTOVAZ production

Table 1

The main indices of financial and economic activity of the AVTOVAZ

The name of the index	2007	2008	2009	1 st quarter 2010
The total volume of income, million rubles	154 626	160 238	84 183	20 739
Prime cost, million rubles	139 520	151 520	88 921	22 057
Gross profit (loss), million rubles	15 106	8718	(4738)	(1318)
Net profit (profit), million rubles	3951	(6684)	(38468)	(2580)
The share of dividends in profit, %	10,56	-	-	-
Market capitalization, rubles	13 6987 604 748	1 086 2642 337	21 690 154 371	23 195 693 772
General profitability, %	4,448	-4,515	-51,880	-13,496

Table 2

The best sold passenger car models in Russia

№	Model	Brand	November 2008	November 2009	%	April 2009	April 2010	%
1	Priora	LADA	9292	6464	-30	9322	14541	+56
2	Samara	LADA	8670	5900	-32	9466	12492	+32
3	2105/2107	LADA	23517	4860	-79	6211	10533	+70
4	Kalina	LADA	7275	3657	-50	5907	9962	+69
5	Logan	RENAULT	4769	5131	8	4796	6223	+30
6	Focus	FORD	8278	3348	-60	5425	5952	+10
7	4x4	LADA	2033	2904	-43	2572	4858	+89
8	Nexia	DAEWOO	2565	2243	-13	3577	3652	+2
7	Lacetti	CHEVROLET	5644	1639	-71	2703	2938	+9

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still occupies the first four places (table 2), though this automobile trust is not among the leaders of passenger and commercial transport.

The AVTOVAZ competitiveness is artificially supported by the government via the introduction of high custom duties for foreign cars. There is also government support - more than 70 billion rubles. The Renault - one of the biggest shareholders of AVTOVAZ - is planning to provide its technological and financial aid. There is an offer to prolong the program of utilization up to 2011 in order to make AVTOVAZ profitable.

Therefore, global crisis has emphasized the necessity of complex modernization of car industry enterprises - both technological, economic and social. The equipment of enterprises is necessary, modernization and diversification of production on the innovative base, creating new jobsites and increasing the mobility of labour force, developing energy efficient and energy saving technologies, as well as strategic information technologies, stimulating the competition and overcoming monopoly.

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