

GM to Build Chevrolets at GAZ Plant

By [The Moscow Times](#)

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U.S. carmaker General Motors will assemble 30,000 of its Chevrolet cars at GAZ's plant to boost its local presence in the fast-growing market, the two companies said Tuesday.

GM, which had to be bailed out by the U.S. government during the financial crisis, said production would begin with a view to selling the smaller Aveo model from 2012.

"It's about keeping costs down and staying competitive with other manufacturers who have a higher level of local presence," Chevrolet Russia managing director Alexander Moinov said.

Western carmakers have been striking partnerships with Russian manufacturers over the past three years as they seek to tap into a market that is expected to grow 17 percent this year after 30 percent growth in 2010.

Russia had been on track to become Europe's biggest car market before the economic crisis caused sales to halve in 2009, but analysts expect a return to pre-crisis levels by 2012.

GAZ, part of businessman Oleg Deripaska's Basic Element group, had been in talks with Volkswagen about becoming partners, and president Bo Andersson said a deal with the German group could yet be signed.

"The contract [with GM] does not exclude the possibility of working with other car manufacturers. We are still talking with Volkswagen," he said.

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