

Fiat Could Invest \$2.3Bln in Auto Plant

By [The Moscow Times](#)

March 31, 2011

The  **Moscow Times**

Fiat plans to invest as much as 1.6 billion euros (\$2.3 billion) to build its own plant in Russia, two people familiar with the matter said.

The Italian carmaker applied to Vneshekonombank, the Russian state development bank, to finance the project, said the people, who asked not to be identified while talks are in progress.

"We are strongly committed to Russia," Sergio Marchionne said Wednesday at the company's annual shareholders meeting in Turin. "We are evaluating a partnership with Russian companies." He declined to name possible partners.

Fiat and Moscow-based Sollers dropped plans for a 50-50 venture in February.

Fiat is considering construction of a Russian plant able to produce as many as 300,000 cars a year, Fiat said in a statement distributed by the Italian stock exchange on Feb. 25. The company plans to focus on medium-size and larger cars, SUVs and light commercial

vehicles under the Fiat and Jeep brands, the company said after submitting a letter about the plan to Russia's Economic Development Ministry.

VEB and Fiat press officials, who asked not to be named because of company policy, declined to comment.

Fiat hasn't chosen a location for the plant, the people said. The Lipetsk region, south of Moscow, and Tatarstan are among the options, the people said. Kommersant reported Thursday that the project may cost as much as 2 billion euros.

Fiat's abandoned plan with Sollers was valued at about 2.4 billion euros. "We'll go it alone with our Russian project," Marchionne said March 2. Sollers agreed on a venture with Ford in February.

Original url: <https://www.themoscowtimes.com/2011/03/31/flat-could-invest-23bln-in-auto-plant-a6013>