

VW Might Make Light Commercial Vehicles in Russia

By The Moscow Times

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The Volkswagen group is considering producing a light commercial vehicle in Russia, possibly as a response to anti-dumping measures introduced throughout the CIS Customs Union in July, which hiked up the cost of importing certain models, Vedomosti reported Thursday.

Marcus Ozegovich, the head of Volkswagen Group Rus, announced the possibility of producing LCVs in Russia at an auto show in Frankfurt this week.

"Now we are evaluating the market, choosing potential models. Based on the results we will make further conclusions, but for now everything is very preliminary," Ozegovich said, Interfax reported.

VW imported more than 16,000 LCVs to Russia in 2012, a 31 percent increase since 2011. This made VW the third-largest seller of LCVs in the country, behind GAZ and UAZ, which sold about 90,000 items and 28,000 units, respectively, in 2012.

A capacity of 25,000 vehicles a year would be optimal for VW production in Russia, said Sergei Udalov, executive director of analytic agency Autostat.

They could be manufactured at the VW factory in Kaluga or at the GAZ factory in Nizhny Novgorod, where VW automobiles have been produced since 2011.

VW could be considering this move as a response to a July decision by the Eurasian Economic Commission that instituted anti-dumping measures on certain LCV models, driving up customs duties from 10 to about 40 percent for German manufacturers.

According to Autostat, VW's imports of LCVs to Russia rose by 8.8 percent in the first seven months of 2013 and then plunged 16.8 percent in July.

VW has tried to persuade the EEC to eliminate the customs duty, but the commission declined to reconsider the decision.

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