

Russia's Car Market in Free-Fall as August Auto Sales Slump 26%

By [The Moscow Times](#)

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Russia's auto market slumped further in August with sales down by nearly 26 percent, year-on-year, after a 23 percent decline in the previous month, the Association of European Businesses, or AEB, lobby group said Monday.

Car sales have fallen this year as Russia's weak economy has been hit by Western sanctions over Ukraine and people have delayed making large purchases.

The AEB said 172,015 new cars and light commercial vehicles were sold in Russia in August, about 60,000 fewer than a year ago. In January-August, sales were down 12.1 percent, largely in line with AEB's forecast for the sales drop in 2014 as a whole.

"August was another difficult month for car sales, which hardly surprised anyone in the industry. The recently announced government incentive for the scrapping and trade-in of vehicles raises hopes that the market slide can be stopped," Joerg Schreiber, chairman

of the AEB Automobile Manufacturers Committee, said in a statement.

"Whether this will be the case or not depends on how quickly the program will come into effect, so that market participants can finally make use of it," Schreiber said.

The Russian government said late last month it would earmark 10 billion rubles to fund incentives for new vehicle purchases this year, reviving a program that had supported the industry during the previous crisis.

In August, sales of Russia's AvtoVAZ's Lada cars fell 32 percent. Ford saw a 57 percent drop, while sales of General Motors' Chevrolet and Opel brands were down 50 percent and 38 percent, respectively.

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