

GAZ and GM Might Launch Joint Venture

Following the AutoVAZ miscarriage (when Renault out bade a stake in the Russian automaker), GM proposed cooperation to the GAZ group, and a joint venture might be set up soon. The two discussed production of affordable passenger cars in the Nizhny Novgorod region.

The facility is said to produce around 50,000 cars per year initially, raising its output to 300,000 later. GAZ plans to invest around \$1 billion in the project.

Interestingly, the carmaker is said to be intending to sell the cars for about \$10,000-11,000. However, the car will be based on the Chevrolet Lacetti model that is not an economy-class auto - a Chevrolet Lacetti coming with basic options costs \$13,500. With this in mind, the partners are thought to be able to considerably reduce production costs, another option is that the car price might turn out higher than intended, or, alternatively, the car will be based on a model other than Lacetti. As the car will reportedly rival Renault Logan, it should be based on the Chevrolet Lanos model.

By Kirill Lebedev