

AutoVAZ announces third price rise in 2008

AutoVAZ has raised prices for all products for a third time this year, by 1.5% on average.

Prices of all models excluding Niva will increase by 3,000 rubles, Niva will carry a 5,000 rubles higher price tag. AutoVAZ already raised prices in January (by 1.9%) and May (by 1%).

The holiday season, when demand for autos traditionally soars, has started, and another price rise on the onset of summer may have a negative implication on the Russian carmaker's sales as there are many competitors who do not increase prices for their models. This might result in a sales crisis similar to the last summer's one. AutoVAZ sales dropped 23% in the first half of 2007. Following that, all AutoVAZ dealers reported falling sales and growing car stockpiles including at the AutoVAZ main warehouse in Samara.

By Kirill Lebedev