

TaGAZ plans to make previous Getz model

Hyundai Motor eventually declared its intent to start assembling the renewed Getz highly popular in Russia: until recently, customers had to wait for a delivery of Getz for six to eight months. The previous Getz will probably be produced at the Taganrog Automobile Works (TaGAZ) that specializes in assembling this Korean carmaker's models under license.

This move is hard to evaluate unambiguously. On the one hand, demand for small, fuel-efficient and inexpensive cars stays high, but the price for Getz grew substantially. Assembled at TaGAZ, Getz cars will cost less, which could push up the demand.

On the other hand, upgrading of the model (provided there is no marked increase in the price) might cause a reduction in the demand for the previous model (why should I purchase a new car if it is outdated?). Despite customers are fond of the previous Getz, they might opt for used, but newer cars. Hence, the idea of producing an outdated model for a highly competitive market is risky. The Moscow market will hardly 'accept' the previous Getz variant when the latest is available. Regional customers who have lower incomes might show a higher demand. The Daewoo Nexia experience proves this (the demand for this model in Moscow is declining and tends to be increasingly popular in the regions).

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