

**Opel Astra Line Started in Russia**

Closely tracking the demand for cars in Russia, GM launched Opel Astra assembly in the Leningrad region as soon as Opel Astra sales went up. When a full-cycle plant is finished in Shushary, the Astra assembly factory will be relocated there. The plant hopes to assemble 25,000 cars by the end of 2008.

Deciding on what particular car models the newly launched plants will assemble appears difficult to producers: the demand changes as the population's incomes grow. In Moscow and other large cities the demand for the \$20,000 cars has markedly climbed with that for economy-class automobiles keeping high, too. Since it takes one or two years to start a new assembly plant, producers are uncertain about the array of products to manufacture. GM has found the solution however - the company practices altering the pre-planned model range promptly to address the changing consumer needs. After building a plant to produce the expensive Camry model, Toyota now intends to start another one, to manufacture cheaper and more popular cars. Considerable extra investments are the price the Japanese carmaker has to pay for underestimation of the Russian market demand.

By Kirill Lebedev