

VW Plans Engine and Transmission Production in Russia

After launching a car assembly plant in Kaluga, VW plans to sign two more investment agreements with Russia's Ministry of Economic Development and Trade – for engine and transmission production. The plant launching date is not yet scheduled, but VW will most probably have to start motor vehicle part production in Russia: Detlef Wittig, member of the company's Board of Directors, stated that 70 to 80% parts would be locally produced.

This does not mean that production of these compound units will be started in the near future, but it is crucial for securing local assembly industrialization.

VW's plans, if realized, will have a positive impact on the Russian motorcar industry. When 70 to 80% of technology-intensive units are produced at Russian plants, the country will get the foreign technology, vital for the industry. So far, engines and transmissions for VW will be delivered from Czech and Slovakian plants.

By Kirill Lebedev