

Lacetti-based car too expensive for economy-class segment

As foreseen earlier, the joint GM and GAZ project of an economy-class car based on Chevrolet Lacetti turned out too expensive: the estimated price topped \$10,000. Hence, the project can be regarded closed, because the highly competitive market is unlikely to show any sound demand for such expensive product with lean characteristics.

GM undertook to review the project, and GAZ can only hope that the new car price will not exceed \$10,000-11,000.

Otherwise GAZ will have to look for other partners, or design (either on its own or jointly with GM) a new model, or use retro technology. With increasing competition, foreign carmakers coming to Russia and AutoVAZ partnering with Renault, GAZ has little time for adjustments.

By Kirill Lebedev