

Peugeot & Citroen Rolls Out Sweeping Plans

The Peugeot & Citroen concern and the Ministry of Economic Development and Trade signed an agreement to launch assembly in the Kaluga region. The required investments are estimated at 300 million euros. Initially, the plant is said to turn out 75,000 cars per year, later the output is expected to reach 300,000 cars per year. According to the advance information, Peugeot-308 and Citroen-C4 will be produced at the plant.

After the concern announced the plant's estimated capacity, the question arose whether the demand for these French car models was high enough. The demand is reported to be growing but not fast enough to consider the estimated output reasonable. In this connection, we believe that, after a reconsideration the planned output will be reduced – as even producers of Japanese, Korean and German motorcars, popular in Russia, do not plan such high production.

By Kirill Lebedev