

RUSSIA

The Alliance market share objective in Russia is to expand from 33 per cent to 40 per cent by 2015 with partner AvtoVAZ. AvtoVAZ produced 294,737 vehicles in 2009, of which 34,756 for export. Output target is 900,000 vehicles from the Togliatti plant in 2015, maintaining Lada's position on the Russian market and developing exports.

With Renault's 25 per cent shareholding in AvtoVAZ, the Alliance has three plants in Russia at Togliatti, Moscow and St Petersburg and total production capacity will be 1.3 million units by 2012.

AvtoVAZ's Lada brand achieved 29.8 per cent market share in Russia in the first half of 2010, Renault 5.7 per cent and Nissan 3.6 per cent, a total of 39.1 per cent for the three brands combined.

The priorities for AvtoVAZ are:

- Quality, a vital condition for Lada's revival
- Upgrading the line that will assemble Lada, Renault and Nissan cars, using the Logan platform.
- Introducing the Alliance Production Way at the plant as soon as possible.

There is much to be gained: a three-way alliance covering 40 per cent of what will soon be Europe's biggest market (3.5 to 4 million cars a year forecast for 2015), based on a manufacturing set-up that includes Togliatti, Moscow and St Petersburg, sharing platforms and engines. Russia is set to become one of the new growth pillars for the Alliance in terms of both sales volumes and profitability.