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## Severstal Cherepovets and AvtoVAZ reach cooperation agreement

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Severstal Cherepovets the main steel producing facility of Severstal Russian Steel has announced that from July 1st 2009 it has entered into a cooperation agreement with Russia's largest carmaker AvtoVAZ.

The agreement focuses on cooperation between the two companies on the issues of pricing, accounts, quality and on the determination of policy aimed at cutting expenses in the delivery chain.

Severstal Cherepovets is one of the main suppliers of steel products for the production of AvtoVAZ's LADA cars. Currently, Severstal Cherepovets is developing new high strength and coated steel grades for AvtoVAZ. For the production of LADA KALINA cars, the volume of high strength steel amounts to 50 percent. About 70% of Severstal Cherepovets' steel products are delivered to AvtoVAZ through consignment warehouse, with a delayed logistics scheme, which allows the creation of an insurance reserve of steel products.

(Sourced from SteelOrbis)

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