
AvtoVAZ sets up 2 firms to employ 15000 redundant workers

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RIA Novosti cited Mr Igor Shuvalov First Deputy Prime Minister of Russia as saying that struggling Russian auto giant AvtoVAZ has set up two affiliated companies to give jobs to 15,000 redundant workers.

He said that "The two firms are 100% affiliates of AvtoVAZ. He added that the companies will employ workers of pre-retirement age, retirees and working-age employees, who will be rehired later."

The carmaker has moved to cut workforce as part of its anti-crisis program. Earlier reports said the company which currently employs 100,000 people, plans to lay off 27,600 of its workforce.

The management has pledged to rehire 7,400 working age employees after an upgraded assembly line is launched and they will in the meantime work on other AvtoVAZ projects.

The government had already approved the allocation of USD 1.3 billion to cover the auto giant's debts, USD 412 million for new production lines and USD 165 million for social programs for laid off staff.

The carmaker has recently asked the government for an additional RUB 5 billion in investment to make competitive products.

(Sourced from RIA Novosti)

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