
AvtoVAZ should obtain new management - Mr Gref

Thursday, 18 Jun, 2009

The Moscow Times cited German Sberbank president as saying that AvtoVAZ should be managed by Renault or find another plan for long-term development, such as an alliance with Magna and Opel.

Mr Gref said such an alliance is necessary for the auto giant to stay competitive, as its production line doesn't have a future. It takes an investment of USD 1 billion to USD 1.25 billion to create a new automobile line and the cash flow necessary to start one new platform every three years can only be generated by sales of at least 5 million to 6 million cars annually.

Ms Oksana Nazarova a spokeswoman for Renault said there were no plans being discussed about managing AvtoVAZ.

Mr Gref said Sberbank which owns 35% of Opel after purchasing the stake in partnership with Magna International hopes to double sales of Opel automobiles from 1.4 million to 3 million cars annually within five years and only after that will it seek possible mergers and acquisitions for the carmaker.

Mr Gref a former economy minister said earlier that Sberbank planned to sell its stake after reorganizing the unit and its Russian assets. The lender's acquisition seeks to help the technological makeover of Russia's car making.

The plan also foresees a linkup with GAZ, the carmaker controlled by billionaire Mr Oleg Deripaska, which said on May 30th that it could produce 180,000 Opel cars a year at its main Russian site.

Mr Mikhail Pak an analyst at Metropol said it was unlikely that Renault would want any part of managing AvtoVAZ and that the idea of uniting AvtoVAZ with GAZ has been discussed for a long time.

Germany's government chose Magna as the preferred bidder for Opel on May 30th. Magna will take a 20% stake while GM will retain 35% and Opel workers will get 10%.

(Sourced from The Moscow Times)

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