

Cash-for-Clunkers May Get Extra \$162M

By [The Moscow Times](#)

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The government may spend an additional 5 billion rubles (\$162 million) to extend the car scrappage scheme that has helped revive the country's auto industry, a source close to the matter said Friday.

The funds, to be disbursed next year, would raise the government's total spending on reviving the sector to 25 billion rubles in 2010-11, with 13.5 billion to be spent next year.

"It's not decided yet. Part of the money may go to car scrappage ... but that would only include compact [autos]," the source said, adding that the extra spending was included in the 2011 state budget.

Officials from the Finance and Industry and Trade ministries declined to comment Friday.

According to the Association of European Businesses, Russian car sales grew 14 percent in January to August compared with the same period last year. In August alone, sales grew 51 percent year on year.

The scrappage plan, launched in March, sparked an almost immediate pickup in sales.

The program, which has already been extended once and is expected to run until early next year, offers drivers 50,000 rubles (\$1,600) to trade in locally produced cars that are at least a decade old.

Last week, Sberbank asked the government to extend the program for at least two more years as it seeks to revive the plant of bankrupt carmaker IzhAvto.

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