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# VW Considers GAZ Deal

By The Moscow Times

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SOCHI — Volkswagen, Europe's largest carmaker, said Friday that it would decide on cooperation with GAZ Group by the end of the year.

Bureaucratic procedures mean that Volkswagen cannot give a more precise forecast for a decision on car assembly with GAZ, Dietmar Korzekwa, Volkswagen's general director for Russia, told reporters.

"GAZ has said that the agreement will be by September, but we need to clarify all issues with the Economic Development Ministry and the Industry and Trade Ministry," he said.

The German company seeks cooperation with GAZ because the Russian market is expected to increase to 3.5 million cars a year, Korzekwa said. Volkswagen's facility in Kaluga will not be sufficient to meet the growing demand, he said.

Volkswagen sees Russian sales of 360,000 units by 2017-18, chief executive Martin Winterkorn said during a meeting with Prime Minister Vladimir Putin earlier this month. ⊠

*(Bloomberg)*

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