

Czechs to Enter Used Car Market

By [The Moscow Times](#)

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Czech used car trader AAA Auto Group has rented four hectares in suburban Moscow and plans to start operations at the end of this summer, the company's business development manager Roman Schubert told Vedomosti.

This is the first market entry by a leading foreign used car trader. The company will begin buying used cars in August and selling them in September from its facility in Shcherbinka.

AAA plans to start with a stock of 200 to 300 cars and increase to 1,000 vehicles in the future, AAA executive director Carolina Topalov said. "It's a good starting size," said Mikhail Lezhov, head of marketing for Formula 91, a major used car dealer based in Mytishchi.

This is the second attempt by AAA Auto, the largest seller of used cars in Eastern Europe, to enter the Russian market. It first tried in 2008, and even announced staffing, but due to falling demand as a result of the crisis it decided to delay.

In March 2011, the board of AAA decided that the time was right. The company considered

a partnership with a local player, said AAA spokesman Dana Pavlushkova. For now the company will operate on its own in Russia, Schubert told Vedomosti.

Foreign players are barely present even on the new car market. Inchcape is now a controlling shareholder of Musa Motors and St. Petersburg's Olymp dealership, while Japan's Mitsui has acquired two regional dealers of Toyota and Lexus.

In Russia as a whole, only about 5 percent of used car sales go through brand dealerships, and about the same amount through specialized companies (in Germany the figure is 30 percent), while the rest are sold via private transactions, said Andrei Izmalkov, head of the analytical department at Rolf's used car division BlueFish.

In Moscow, however, competition for used car sales by official retail outlets is high, Izmalkov said. Authorized dealers alone last year sold 52,000 used cars, equaling 20 percent market share. Last year, across all of Russia, 4.11 million used car transactions took place, according the Avtostat agency.

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