

Renault-Nissan, AvtoVAZ Continue Talks

By [The Moscow Times](#)

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Nissan car manufacturing will eventually be started in Tolyatti, in addition to the current line in St. Petersburg. **Yekaterina Kuzmina**

TOKYO — Negotiations over the Renault-Nissan alliance's plan to take a majority stake in top Russian automaker AvtoVAZ are likely to take a few more months, a source familiar with the discussions said.

The comment came after Japan's Nikkei business daily reported Thursday that Nissan Motor was in the final stages of discussions to take a stake of about 25 percent in AvtoVAZ for up to \$1 billion. Partner Renault already owns 25 percent of AvtoVAZ, for which it paid \$1 billion in 2008, while state-owned Russian Technologies holds another 25 percent.

The source, who asked not to be identified because the discussions are not public, denied a final deal was close. Nissan spokesman Simon Sproule declined to comment, saying the report was based on speculation.

Renault-Nissan chief executive Carlos Ghosn has flagged the alliance's plan to take

a combined stake of at least 50 percent in the maker of Lada cars, with Nissan due to purchase more than half of the additional share.

Speculation over the three-way deal has swirled since last year as the Russian government aims to attract the world's major carmakers to become bigger players in the country to help modernize the industry. Global automakers, for their part, see Russia as a major growth market, where annual sales are expected to double to 4 million vehicles over the next few years.

Renault-Nissan has the green light from Moscow to raise their ownership in AvtoVAZ via deals with Russian Technologies and Troika Dialog, which manages 25 percent of AvtoVAZ. Troika chief executive Ruben Vardanyan said in April that the brokerage could sell some shares of AvtoVAZ on the open market.

Emerging car markets such as Russia, China, India and Brazil are central to automakers' expansion as the developed markets of Western Europe and Japan reach saturation.

Including Lada sales of 570,000 vehicles last year, the greater Renault-Nissan alliance ranked third in global sales in 2010 with 7,276,398 vehicles, behind Toyota Motor and General Motors and ahead of Volkswagen.

Nissan, Japan's No. 2 automaker, is set to announce a new midterm growth plan along with its financial forecasts in the last week of June. A finalized deal to purchase part of AvtoVAZ is unlikely to be included in the plan, given the timeline of the talks.

Renault and Nissan have already agreed to build their own models at AvtoVAZ's sprawling plant in the single-industry town of Tolyatti as part of their deal with the government.

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