

Mazda and Sollers Agree On Joint Venture

By [The Moscow Times](#)

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In 2011, Mazda sold about 40,000 vehicles in Russia, making it the company's second-largest market in Europe. Above, a Mazda showroom in Moscow. **Andrei Makhonin**

Mazda Motor Corporation said Friday that it will set up a joint venture with domestic automaker Sollers to produce vehicles for Russia as the Japanese automaker pushes further into emerging markets.

Japan's No.5 automaker said initial production capacity from the joint venture would be 50,000 vehicles when it begins operations in the fall of 2012 and reach 70,000 per year later. Financial details on the venture were not disclosed.

The venture will produce Mazda's CX-5 SUV, the next-generation Mazda6 car and a Sollers brand vehicle for sale in Russia.

In 2011, Mazda sold about 40,000 vehicles in Russia, a year-on-year rise of about 60 percent,

making it the company's second-largest market in Europe.

Russian car sales are expected to grow by about 6 percent this year to 2.8 million vehicles, according to both government and independent forecasts, with the market seen reaching 4 million vehicles by 2015.

Sollers has entered similar ventures with other automakers recently, including Ford and Fiat, to take advantage of government incentives to boost local production.

Mazda, which produces more than 70 percent of its vehicles in Japan and exports more than three-quarters of that, has been looking to boost its overseas output capacity to make its profits less dependent on yen exchange rates.

The Hiroshima-based company announced plans last June to build a factory in Mexico and is also working to lift its output in China.

In March, Mazda sold \$1.9 billion in new stock, the proceeds of nearly half of which it plans to use to pay for production bases overseas and to improve domestic factories.

Also on Friday, Mazda projected 30 billion yen (\$371.33 million) in operating profit for the business year that began in April as it benefits from a weaker yen and higher expected vehicle sales.

The forecast is lower than the average projection of 35.3 billion yen profit in a poll of 21 analysts by Reuters, but would mark a return to profit after the automaker booked an operating loss of 38.7 billion yen in the year that ended in March.

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