

Audi Launch Shows Promise of Premium Segment

By The Moscow Times

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Audi executives presenting a new entrant on the growing premium car market in Russia on Thursday. **Daniel Kolodin**

Audi on Thursday presented a new premium model in the country as sales of this class of cars are bucking the downward trend on the domestic auto market.

Sales of the new A3 sedan will begin toward the end of September in a bid to win over clients that might be looking at a Mercedes rival or an upcoming BMW model in the segment of upmarket sedans.

The overall new car market slid 2 percent over the year's first four months compared with the same period last year. But sales in the premium model segment — where cars cost between \$50,000 and \$300,00 — are up 9 percent in the same time frame.

Part of Volkswagen Group, Audi is also relaunching assembly of several of its models at the

Volkswagen plant in Kaluga, hoping to produce a total of 11,000 cars locally this year and in 2014, said Yelena Smirnova, Audi chief for Russia.

The move will support the plant, which is reducing its overall output this year.

Smirnova downplayed the chilling effect that a bigger tax on luxury cars might produce on sales. The State Duma is considering a government-sponsored bill to introduce the tax.

She also said the car recycling duty hasn't affected the brand's sales or price tags since its introduction in September. The levy kicked in as Russia lowered its car import duties to comply with the terms of joining the World Trade Organization.

The Federal Customs Service registered a 9-percent decrease in car imports over the first quarter of this year.

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