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GAZ Starts Local Mercedes Van Assembly

By Anatoly Medetsky

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Locally assembled Sprinters will hit the market starting in September. **Maxm Stulov**

NIZHNY NOVGOROD — Billionaire Oleg Deripaska's automobile company Monday began assembling Mercedes-Benz vans, the latest arrival to the club of locally made foreign vehicles.

Contract assembly for various foreign brands is part of the plan of GAZ Group chief Bo Andersson, former top purchasing executive for General Motors, to turn around the company, which struggled to keep its head above water when the economic crisis hit.

GAZ will weld, paint and assemble the Sprinter Classic vans, used for both passenger and cargo transport, working from complete knock-down kits. It will equip them with German diesel engines made at another Deripaska plant in Yaroslavl.

"Russia is the fastest-growing market for this division," Mercedes-Benz chief in the country Jan Madeja said of the company's vans unit at a grand opening news conference in the city

on the Volga River, 400 kilometers east of Moscow.

Sales of the vans increased 50 percent last year, he said, reaching 2,000 units.

Volker Mornhingweg, chief of Mercedes-Benz vans division, declined to specify the assembly line's capacity, saying only that 5,000 units would roll off the line by the end of this year.

Dealers will offer locally made Sprinters starting in September.

GAZ and Daimler, the parent company of Mercedes-Benz, cumulatively invested 190 million euros ($260 million) in the assembly project, including the creation of a brand new paint shop based on German technology. Another portion went toward shipping the assembly line here from Argentina and upgrading the equipment.

Local workers on the Mercedes project received training in Germany.

GAZ also makes vans, called GAZelles, which are targeted at a lower price segment. The company will also use the jointly built paint shop in the manufacture of GAZelles.

The Russian company said it is looking to gain valuable experience from dealing with the world-class brand, in addition to revenues.

"We have a lot to bring to the table, but we will also learn how they make this reliable vehicle," said GAZ chairman Siegfried Wolf.

Mercedes enlisted renowned Russian martial arts fighter Fyodor Emelyanenko to promote the brand. Dubbed the "last emperor," Emelyanenko spoke little, posed for snapshots with the attending reporters and organizers, and signed autographs.

One of his latest memorable appearances was a boxing match with an American, during which then-Prime Minister Vladimir Putin, in the running for the presidential post, was booed by spectators when he came onto the ring to congratulate the Russian on the sparring victory.

The grand opening took place at the assembly line, with speakers struggling to make themselves heard above the clatter. A Sprinter van appeared on stage and a crew of musicians sprang out, beating on plastic drums with all their might, augmenting the assault on ear drums.

Over the past few months, GAZ has started car production for other brands, including Skoda, Volkswagen and Chevrolet.

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