

AvtoVAZ Posts Loss in 1H 2013

By [The Moscow Times](#)

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The country's largest carmaker AvtoVAZ swung to a first-half net loss as Russia's economic slowdown took a heavy toll on demand.

Car sales have fallen for six months in a row as the \$2 trillion economy has faltered. The Association of European Businesses, a lobby group, recently cut its sales forecast for the full year to 2.8 million vehicles, a fall of 5 percent year on year.

AvtoVAZ, which Franco-Japanese alliance Renault-Nissan

plans to take control of by mid-2014, made a net loss of 2.6 billion rubles (\$80.7 million) in the January to June period, against a 27.4 billion ruble profit a year earlier, it said in a statement.

The year-ago profit was boosted by a noncash gain from discounting the cost of future debt payments and this year's result was also hit by increased investment in new models.

The carmaker's revenue dropped by 7 percent year on year to 83 billion rubles because of lower sales of its economy class Lada cars.

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