

# AvtoVAZ Cutting Staff, Offering Severance Packages

By [Anatoly Medetsky](#)

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Selling TNK-BP in 2012 left BP with a 19.75 percent stake in state-owned Rosneft that some say is a risky asset. **Andrei Makhonin**

AvtoVAZ, the country's largest carmaker, is about to lay off some of its workers, following a slump in sales last year and gloomy forecasts for the coming year.

Co-owned by Renault-Nissan, the plant did not say how many people it seeks to let go, but stated it will reduce the number of staff it has by 11 percent to 59,000.

The reductions are the first major personnel move since new Swedish chief executive Bo Andersson took office earlier this month.

Pyotr Zolotoryov, chairman of the company's independent union, said Andersson had already ordered the cuts, Vedomosti reported Monday.

Those who volunteer to leave the plant will receive several months' salary as compensation, Zolotaryov said. This offer will be in effect for three months, starting in February, he said.

Leaving next month, workers will be eligible for five months salary, in March for four, and in April for three. An average blue-collar wage at the plant is 20,000 rubles.

AvtoVAZ sources confirmed the program, but the company declined to comment.

AvtoVAZ fired 30,000 people during the crisis years of 2008 and 2009, offering them jobs at its affiliated companies.

Zolotaryov believes the severance bonus should amount to a year's pay because jobs are so scarce in the city, he said.

Located in Tolyatti, the company is the city's biggest employer.

Labor and Social Development Minister Maxim Topilin assured that AvtoVAZ workers would find new jobs if they left the auto giant.

Tolyatti's employment center is reporting 8,540 vacancies, stating that the city's jobless rate is a mere 0.6 percent.

AvtoVAZ's latest severance offer is one of the most "civilized" in the world for layoffs, said Sergei Kazakov, a lawyer at law firm Sameta.

Ilya Rachkov, a partner at law firm King & Spalding, said, "AvtoVAZ's terms are very tempting. Many people could agree to them."

Recently, aluminum producer RusAl offered workers at its Nadvoitsky plant six months of wages if they volunteered to leave their jobs during layoffs there, according to Vlast magazine.

Contact the author at [medetsky@imedia.ru](mailto:medetsky@imedia.ru)

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