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AvtoVAZ to Cut 15,000 Jobs Through 2020

By The Moscow Times

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AvtoVAZ, controlled by the Renault-Nissan alliance, this week said that it plans to cut production of its Lada cars in the next three months because of a shrinking Russian market.

PARIS — Russia's top carmaker AvtoVAZ plans to reduce staff numbers to 30,000 by 2020 from 55,000 to boost competitiveness, finance head Yevgeny Belinin told France's Les Echos daily business newspaper at the Moscow motor show.

AvtoVAZ, controlled by the Renault-Nissan alliance, this week said that it planned to cut production of its Lada cars in the next three months because of a shrinking Russian market.

The market is down 10 percent this year, with the outlook worsening since last month's downing of a passenger jet over Ukraine, which was blamed on pro-Russia separatists and triggered a new volley of Western sanctions against Russia's banks and oil sector.

"We reckon we'll have a workforce of 30,000 employees in 2020," Belinin was quoted as

saying by Les Echos. "We have to become competitive again."

AvtoVAZ announced its would be make significant staff cuts earlier this year. The company, which made a net loss of 7.9 billion rubles ($220 million) in 2013, said in June it was laying off about 13,000 people in 2014.

At the end of last year, 65,891 people worked at the Tolyatti plant in the Samara region, which is AvtoVAZ's main base.

Of the leading carmakers, Renault has most at stake in Russia, but it could benefit from a proposed government subsidy scheme to steady demand while the weak ruble undermines rivals that make fewer parts locally.

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