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Car Prices Climb in Russia as Ruble's Fall Drives Inflation Up

By The Moscow Times

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The prices of imported cars could rise by as much as 30 percent next year.

In another blow to Russian consumers, 24 car companies have raised the price tags on their models, Kommersant reported Friday, citing data from analytics agency Autostat.

Mercedes-Benz this month raised the price on all its models by between 2.3 and 10.8 percent, while Chevrolet hiked prices on certain models by 7.9 to 15.3 percent. Russian producer UAZ was responsible for the biggest hike, with prices climbing 18 to 25 percent on all its off-road models, the report said.

Other foreign companies have undertaken more moderate price rises: Renault by between 0.4 and 1.3 percent, Kia by 0.4 to 2.4 percent and Ford by 0.6 to 2.4 percent.

Foreign car producers have been forced to respond to the ruble's plummet of more than 40 percent against the dollar this year. The ruble's fall helped push year-on-year inflation up

to 9.1 percent in November, according to state statistics service Rosstat.

The prices of imported cars could rise by as much as 30 percent next year, something that Russian consumers know very well, Autostat's executive director Sergei Udalov told Kommersant.

"People who were planning to buy a car next year or a year from now are going to buy them now," Udalov said.

Car dealers saw a sudden surge in sales in November as consumers alarmed by the rapid devaluation accelerated their purchasing plans, a study by the Association of European Business found.

Sales were down only 1.1 percent compared to the same period last year, a relief for dealers following months of inactivity.

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