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Carmakers Nissan-Renault Suspend Orders on Some Models in Russia

By The Moscow Times

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A man reads the specs of a car by automobile maker Nissan at a showroom in Yokohama, south of Tokyo, on Dec. 18, 2014.

TOKYO — Japan's Nissan Motor Co and French partner Renault SA have stopped taking orders for some cars in Russia and could raise prices on others if the ruble's plunge continues, alliance Chief Executive Carlos Ghosn said Friday.

"We have suspended taking orders," Ghosn told reporters at Nissan's headquarters in Yokohama. "We didn't do it overall, just on some models. We said, 'Sorry, until we see where this situation is going we don't take orders.'"

The Russian currency has tumbled about 50 percent against the dollar so far this year, putting pressure on automakers who have had to raise prices and contend with falling demand.

Nissan has already increased prices on half of models sold in Russia by 5 percent to 8 percent.

Ghosn said Nissan had hiked prices on more expensive models made in Russia but using high levels of imported parts.

Russia is Nissan's fifth-largest market and the Japanese firm's alliance with Renault SA, of which Ghosn is chairman and CEO, gives it a majority stake in Avtovaz OAO , Russia's largest automaker.

Ghosn, who said Nissan and Renault were gaining market share in Russia, wants to triple sales there in the next three years. Taken together, the Nissan, Renault and Lada brands represent account for more than a third of vehicles sold in Russia.

The executive said he remained confident that the Russian market would "stabilize", but that the plummeting value of the ruble made it hard to make longer-term plans at present.

"The bad news is that the market is shrinking. This is bad news for everyone," Ghosn said. "When the ruble sinks it's a bloodbath for everybody. It's red ink, people are losing money, all car manufacturers are losing money."

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