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Russia's Iconic Ladas Become Less Cheap as Crisis Bites

By The Moscow Times

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Russia's AvtoVAZ has raised prices for its Lada cars.

Russia's largest automaker AvtoVAZ has raised prices for its Lada cars for the second time this year because of the weaker ruble.

AvtoVAZ said on Wednesday it had hiked prices for the country's best-selling brand by 4.8 percent or 20,200 rubles ($327) on average, after an increase of around 9 percent in January this year.

Many other manufacturers have also pushed up prices after the ruble fell by more than 40 percent against the dollar last year and continued weakening in 2015.

According to accountants PwC, car prices in Russia, whose economy has been worsening because of a slump in oil prices and Western sanctions over Moscow's role in the Ukraine crisis, had risen by between 7 and 56 percent between September 2014 and mid-January 2015.

Sales of Lada cars in Russia fell 26 percent, year-on-year, in January and were down 23.5 percent in February, according to company data. Total new car sales in Russia fell 24.4 percent in January, according to the Association of European Businesses. The AEB has yet to publish February market data.

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