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Carmaker Nissan Suspends Production at Russia Plant Due to Weak Sales

By The Moscow Times

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A new Nissan Sway concept car is seen during the second press day ahead of the 85th International Motor Show in Geneve.

TOKYO — Nissan Motor Co said Tuesday that it was suspending production at its St. Petersburg plant between March 16 and March 31 due to weak sales in the Russian market.

Japan's No.2 automaker will not extend temporary contracts at the factory and will suspend hiring, a spokeswoman said.

Industry-wide new car sales in Russia plunged 38 percent in February from the same month a year earlier, continuing a sharp decline in 2014 as the economy weakened due to lower oil prices and Western sanctions over Moscow's role in the Ukraine crisis.

The ruble also tumbled last year, forcing consumers to put off large purchases and automakers to raise prices.

The tough market has also prompted General Motors Co to announce plans to idle its Russian plant for eight weeks starting in late March, after it had already cut one of the two shifts at the factory in September.

Nissan builds the X-Trail, Murano, Teana and Pathfinder models at the St. Petersburg factory. It also has local production of other models at factories owned by top Russian automaker Avtovaz, in which Nissan and Renault SA jointly hold a majority stake.

Nissan has plans to eventually double production capacity in St. Petersburg to 100,000 vehicles a year, and said Russia remains an important long-term investment.

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