The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Peugeot, Mitsubishi and Citroen Suspend Production in Russia

By The Moscow Times

March 27, 2015

PCMA Rus, a Russian venture owned by France's PSA Peugeot Citroen and Mitsubishi Motors Corporation, will temporarily suspend production of Peugeot, Citroen and Mitsubishi models, it said late last week.

The venture, which has a plant in Kaluga south of Moscow, said it would also cut 100 jobs.

After several years of growth in excess of 10 percent, car sales in Russia dropped in 2014 as the economy weakened, battered by Western sanctions over the Ukraine crisis and sliding oil prices.

The market could plunge by as much as 35 percent this year, according to PricewaterhouseCoopers, and a string of carmakers have cut back local production.

"The continuing deterioration of the market situation forces us to make painful decisions," PCMA Rus said in a statement.

Production of the Citroen C4 Sedan and Peugeot 408 will be halted from April 27 to July 10.

The production line of sport utility vehicles (SUV) will also be stopped from April 2 until May 12.

Two Mitsubishi models, Outlander and Pajero Sport, have been assembled at the SUV production line in Kaluga.

Peugeot holds a 70-percent stake in the venture and Mitsubishi owns the remaining 30 percent. The first models were produced in 2012 and the plant has annual production capacity of 125,000 units.

Original url:
https://www.themoscowtimes.com/2015/03/27/peugeot-mitsubishi-and-citroen-suspend-production-in-russia-a45203