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Nissan in Talks to Buy 25% of AvtoVAZ to Gain Control

By The Moscow Times

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Nissan, Japan's third-largest carmaker, is in talks to buy more than 25 percent of AvtoVAZ in a bid to secure control of the Russian carmaker with partner Renault.

Nissan is discussing with AvtoVAZ shareholders Troika Dialog and Russian Technologies an acquisition of the stake over several years, Sergei Skvortsov, Troika Dialog's managing director, said late last week. Renault will continue to hold its blocking stake in AvtoVAZ, he said.

Negotiations to increase the alliance's holding are continuing and a final decision hasn't been made, Renault spokeswoman Oxana Nazarova said. Nissan spokeswoman Tatyana Natarova declined to comment.

Carlos Ghosn's Renault-Nissan alliance is moving to take a majority stake in Tolyatti-based AvtoVAZ, the maker of Lada vehicles, after the French partner's $1 billion purchase of a 25

percent stake in 2008. Ghosn, who is chief executive of both Renault and Nissan, said in November that the alliance would seek control of the Russian company.

Renault, which has its headquarters in the Paris suburb of Boulogne-Billancourt, is upgrading AvtoVAZ's sprawling plant in Tolyatti to assemble models for all three carmakers. Renault also owns 43 percent of Yokohama-based Nissan.

The parties haven't agreed on the value of the AvtoVAZ stake or the time period in which Nissan could gain the stake, Skvortsov said. Troika and Russian Technologies each own 25 percent of AvtoVAZ.

Russian Technologies' chief executive Sergei Chemezov said Nov. 19 that Nissan is in talks to buy a 10 percent stake in AvtoVAZ. Troika may eventually sell all of its holding, while Russian Technologies plans to buy new stock in AvtoVAZ to keep its stake at 25 percent, he said at the time.

Nissan said it would resume some operations at six factories in Japan starting Monday. The plants make parts for overseas factories, the Japanese carmaker said in a faxed statement Sunday, Bloomberg reported. Some vehicle assembly will resume on March 24, it said.

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