

GM Will Keep Selling Opel in Russia After Moving Its Assembly to Belarus

By [The Moscow Times](#)

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General Motors has begun assembling a top-selling car in Belarus in a bid to keep a hold on the Russian market via export sales after announcing it would roll up auto production in the country, news agency RBC reported Thursday.

The Mokka, a sports utility vehicle produced under GM's Opel line, will be on sale in Russia until the end of this year. Last year over 22,800 Mokka cars were sold in Russia, accounting for about one-third of the total sales of the brand in the country.

Switching production to Belarus will allow GM to keep a foot in the Russian market but cut costs, as Belarus has a cheaper labor force and offers special tax preferences for foreign companies, according to RBC.

Cars produced in Belarus can also be imported into Russia duty-free under the terms of the

Eurasian Customs Union, formed by Russia, Belarus and Kazakhstan.

GM also plans to move assembly of several lines of premium cars, including its Cadillac brand, from Russia to Belarus by September.

General Motors in March announced plans to stop the production of its Opel and Chevrolet brands in Russia due to a sharp decline in sales. In February Opel and Chevrolet sales decreased by 86 and 74 percent respectively, according to the Gazeta.ru news website.

Car sales in Russia have been hit hard by the weakened Russian economy, which has suffered amid a plunge in the price of oil and Western sanctions imposed over the Ukraine crisis. The Russian car market shrunk by 41.5 percent year-on-year in April, according to the Association of European Businesses, a lobby group that monitors the market.

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