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North Caucasus Automaker in Production Talks With Taiwan

By Roland Oliphant

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Taiwanese automobile maker Yulon is negotiating a production agreement with the Derways factory in the North Caucasus republic of Karachayevo-Cherkessia, the factory's executive director Mukhadin Derev told The Moscow Times on Tuesday.

RBK daily reported that they are discussing manufacture of the Luxgen 7 MPV SUV, citing anonymous sources in the auto industry.

Yulon did not respond to requests to comment Tuesday.

Taiwan's largest auto producer, Yulon churns out licensed models of major brands like Nissan and Mitsubishi. The Luxgen 7, released in 2009, is the company's first effort at making its own brand.

The SUV version bears a strong resemblance to the Porsche Cayenne and sports a 2.2-liter

turbo engine and 175 horsepower.

Derways was set up by three brothers as Russia's first privately owned domestic carmaker in 2004, and started out selling a budget imitation of the Mercedes G-class 4x4 called the Cowboy.

The factory now produces models of the Chinese Lifan, Geely and Haima 3 brands.

Derways' factory is built to turn out 100,000 cars a year, but produced just 11,713 units in 2010, according to the Avtostat research agency. The company is aiming to turn out between 50,000 and 60,000 units this year, Derev said by telephone.

It's not clear how much a Luxgen produced at Derways would cost, though the Luxgen 7 SUV price for Taiwan starts at 838,000 Taiwan dollars — about $28,000 or 700,000 rubles at current exchange rates.

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