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Russian Car Dealerships See Spike in Layoffs as Sales Plummet

By Anna Dolgov

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Russian car dealerships are laying off their employees en masse as car sales plummet amid the economic crisis, Western sanctions and the falling value of the ruble, a news report said.

Thousands of car dealership employees have lost their jobs over the last 12 months, according to figures cited by news agency RBC on Thursday.

Automir, Russia's second-largest car dealer chain, has laid off 17 percent of its employees since the beginning of the year, the company's spokesman Ruslan Tarusin told RBC. Numbers are even higher among showroom salespeople, with nearly 27 percent losing their jobs, the report said.

Car sales in Russia have been sliding for the second year in a row, RBC reported. But even those dealerships that reported a growth in the number of sales in 2014 are laying off personnel, the report observed.

Russian car dealership group Modus, which recorded 5 percent growth in sales last year, laid off 15 percent of its employees, the chairman of the company's board of directors Alexei Leshchenko was quoted as saying.

Favorit Motors — one of Russia's 10 largest auto dealerships — has laid off about 5 percent of its employees this year, company president Vladimir Popov told RBC. The company posted 4 percent sales growth in 2014.

Vladimir Mozhenov, head of the Russian Automotive Dealers association, said that the industry employs about 350,000 people, the report said. But estimates show that between 5 and 15 percent of workers have been laid off during the past 12 months and that more than 50,000 people might have lost their jobs, Mozhenov was quoted as saying.

"If the market continues to underperform, new layoffs will be unavoidable," he said.

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