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Russia's AvtoVAZ Carmaker to Slash Staff Pay

By The Moscow Times

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Russian carmaker AvtoVAZ will cut pay for its roughly 50,000 staff by 20 percent as the country's economic recession leads to decreased car sales.

The carmaker's boss, Bo Andersson, said Thursday that employees would be put on a four-day week from Feb. 15, news website Gazeta.ru reported.

AvtoVAZ, based around a sprawling production complex in the Volga city of Tolyatti, has partnered with France's Renault and Japan's Nissan and modernized its vehicle range in recent years, but Lada sales fell by one-third last year as the country's car market contracted sharply for the second year.

Labor Minister Maxim Topilin was quoted by news agency RIA Novosti last week as saying AvtoVAZ would likely cut up to 2,000 staff this year.

Many Russian companies have opted to reduce hours and pay rather than lay off workers since

the country entered recession last year. Overall unemployment has remained below 6 percent as a result, but average wages last year shrank in real terms by 9.5 percent, according to the Rosstat state statistics service.

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