

# Russian Car Manufacturer Lada Reports Sharpest Sales Drop in 3 Years

Sales fall marks wider industry trend, as demand for new cars among Russians declines.

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Lada has a market share of more than 20% in Russia. [lada.ru](http://lada.ru)

Sales of Russia's flagship Lada cars dropped by the fastest rate in three years last month, the Russian daily Vedomosti has [reported](#).

The fall comes amid a wider slowdown in the Russian automobile market, with overall sales expected to fall by 40,000 units this year, the Association of European Businesses (AEB) estimates.

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Lada reported a 5.5% decline in October 2019 compared to the same month last year, selling

just over 30,000 vehicles during the month. The Lada brand is the most well-known Russian car name outside Russia. More than one of every five new cars bought in Russia is a Lada. Despite the October fall, annual sales of Lada vehicles are still up 1.5% so far this year at almost 300,000.

Lada manufacturer AvtoVaz says the recent drop is a symptom of a general decline in demand for new cars among Russians. Across the entire market, sales have fallen by 2% so far this year, the AEB said, and could report a decline of 2.3% to 1.76 million when the full-year figures are in.

A number of people brought forward big purchases, such as cars, to the end of last year to avoid being hit by the government's VAT hike in January 2019, industry figures told Vedomosti. That means manufacturers and dealers are expecting significantly lower sales numbers in the final few months of this year compared to the boost recorded at the end of 2018.

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