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Nissan to Exit Russian Market, Sell Assets to Moscow

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Nissan car factory in Pargolovo, St. Petersburg. **Valentin Yegorshin / TASS**

Japanese automaker Nissan will sell its Russian assets – including a factory in St. Petersburg – to the Russian government, the Industry and Trade Ministry said Tuesday.

The Kommersant business daily reports that the Japanese car manufacturer's departure follows a similar scheme as French automaker Renault, which exited the Russian market in May.

Russian car manufacturer AvtoVaz will take over the supply of spare parts and maintenance of Nissan-branded cars.

Under the deal, Nissan retains the option to buy back its assets within six years.

No financial details of the transaction were provided by either side on Tuesday.

In a press release, the company said its approximately 2,000 Russian factory employees will receive employment protection for 12 months.

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“On behalf of Nissan, I thank our Russian colleagues for their contribution to the business over many years. While we cannot continue operating in the market, we have found the best possible solution to support our people,” said Nissan President and CEO Makoto Uchida.

Nissan said in a separate statement that the deal will be finalized “in the coming weeks,” adding that the company will take a "one-off impact" of around 100 billion yen ($686.5 million).

Production at the Nissan plant in St. Petersburg began in 2009.

In 2021, 51,400 Nissan-branded cars were sold in Russia, a 3.1% market share.

Nissan had suspended its Russian operations in March following Moscow’s Feb. 24 invasion of Ukraine.

Moscow at the time warned that it would seek to seize or nationalize the assets of the hundreds of foreign companies exiting the country following the Ukraine invasion.

AFP contributed reporting.

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