

Hyundai Sells St. Petersburg Auto Plant

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The former Hyundai factory in St. Petersburg. **Pyotr Ivanov / WikiCommons**

South Korean automaker Hyundai [announced](#) Tuesday it will sell its St. Petersburg plant, which suspended operation in March 2022 amid an exodus of foreign companies from Russia.

"Hyundai Motor Company (Hyundai) today held a Board of Directors meeting, approving a plan to sell its entire stake in Hyundai Motor Manufacturing Rus (HMMR LLC) to Art-Finance LLC," the company said in a press release.

"Hyundai is currently making final arrangements with Art-Finance for details of the deal," it added.

Art-Finance, which is owned by the auto dealership group Avilon, in May [bought](#) the Russian assets of German carmaker Volkswagen, including its flagship Kaluga factory near Moscow.

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Reuters, citing a company official at Hyundai, [reported](#) that the automaker sold its Russia-

based operations for a token 7,000 rubles (\$78) and plans to complete the deal by Dec. 28. The South Korean news outlet Chosun Ilbo [wrote](#) that the sale amount was 10,000 rubles, though it did not name its source.

Reuters said Hyundai will take a 287 billion won (\$219.19 million) loss on selling the St. Petersburg plant, according to a regulatory filing by the company.

Last year, Hyundai car sales in Russia fell from an annual average of 200,000 to 45,000, according to the Association of European Business. In August, Hyundai sold an all-time low of six vehicles.

Still, the company said it plans to provide after-sale services and other customer care businesses to support Hyundai vehicle owners in Russia.

The war in Ukraine sparked a mass exodus of foreign companies from Russia, including many major car manufacturers, as sanctions by the European Union, the United States and others have made it increasingly difficult to do business in the country.

The Hyundai plant in St. Petersburg, launched in 2010, had said it faced difficulties with sourcing component supplies after the start of the war.

Meanwhile, since last December, Russia has forced foreign companies to sell their assets to Russian buyers at a 50% discount and charged them an exit fee of at least 10% of the transaction value.

AFP contributed reporting.

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