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# Russian Car Market Expected to Contract by 24% This Year

July 04, 2025



**Alexei Belkin / news.ru / TASS**

The Russian car market is expected to contract significantly this year, reflecting a sharp decline in consumer demand and the broader impact of a slumping economy.

In a press release on Thursday, the Association of European Businesses revised its forecast for the Russian car market in 2025, projecting sales to decrease by 24% to 1.25 million units sold.

The association had previously anticipated a contraction of 15% to 1.4 million vehicles in 2025.

**Related article**: Russian Car Sales Plunge 27.5% Year-on-Year

Analysts at the association said that market growth could resume if the government provides support, specifically by renewing state programs aimed at boosting demand.

“We also expect the first modest cut in the key interest rate to contribute to market

stabilization, with further downward adjustments likely to bolster positive momentum," the press release said, referring to the Central Bank's lowering of the key interest rate from 21% to 20% in early June.

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