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Lada Sales Plunge 25% in 2025 as High Interest Rates, Recycling Fees Bite

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A customer visits a Lada dealership. **Dmitry Yagodkin / TASS**

Sales of Russia's flagship car brand Lada fell by nearly 25% in 2025, the Kommersant business newspaper reported Tuesday, citing data compiled by market research firm Avtostat.

Lada sales fell 24.4% year-on-year to 329,890 vehicles. That further cut the brand's market share to 24.88% from 27.76% in 2024.

The overall market for new passenger cars shrank by 15.6%, totaling 1.3 million vehicles sold in 2025.

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The decline highlights the increasing pressure of high borrowing costs and new government fees exerted on Russia's automotive market. Car dealers interviewed by Kommersant pointed to the high key interest rate and changes in the rules for calculating the vehicle recycling fee.

The share of Chinese brands on the Russian market fell from 58.5% to 51.7% last year, with analysts attributing the shift to localized production in former Western-owned factories.

After Lada, 2025's second and third biggest sellers in Russia were the Chinese brands Haval at 173,300 vehicles and Chery at 99,810.

Production of Lada cars at AvtoVAZ's flagship plant fell 40% in 2025 to 274,000 vehicles, with a further decline to 265,000 expected this year.

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