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Russia's Car Market Posts Worst Start to Year in 2 Decades, AvtoVAZ Executive Says

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Alexei Belkin / NEWS.ru / TASS

Russia's car market has posted its weakest start to a year in two decades, a senior executive at carmaker AvtoVAZ said, underscoring mounting pressure on consumer demand despite manufacturers ramping up production plans.

Dmitry Kostromin, AvtoVAZ's sales and marketing director, said January-February sales were worse than the company had anticipated.

"In my view, these are probably the worst January and February in the past 20 years of statistical records," Interfax quoted Kostromin as saying at the ForAuto 2026 industry forum.

He added that if market calculations focused strictly on newly sold and registered vehicles, the downturn would appear even more severe.

Earlier data from analytics agency Avtostat showed registrations of passenger cars under the

Lada brand fell 28.7% year-on-year in January to 19,700 units.

Overall Russian car market sales totaled about 80,600 vehicles during the month, down 9.5% from a year earlier.

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AvtoVAZ CEO Maxim Sokolov said in mid-February that Lada sales remained weak into February, prompting the company to cut its monthly sales target by 15% to just over 20,000 vehicles.

Kostromin said the only positive factor so far this year was the absence of excess inventory at manufacturers' warehouses, though he acknowledged the market would be difficult to revive without "creative solutions."

He expressed hope that demand for new cars would begin recovering in the second half of 2026, allowing the market to match last year's performance.

AvtoVAZ previously forecast total Russian sales of passenger cars and light commercial vehicles at 1.5 million units this year, up 7% from 2025, while the company aimed to increase its own sales by 9% year-on-year to 370,000 vehicles.

In late December, AvtoVAZ cut prices for the Lada Aura and Lada Largus models by 14% and 3.8%, respectively.

At the same time, prices rose modestly for several bestselling models, including the Lada Granta, Lada Iskra, Niva Legend and Niva Travel, while prices for the Vesta family remained unchanged at around 1.5 million roubles.

From Jan. 1, AvtoVAZ returned to a five-day working week after operating on a four-day schedule and raised its 2026 production plan to 400,000 vehicles, matching output in 2025. Production had exceeded 525,000 vehicles in 2024.

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