Russia is one of the world’s main suppliers of technologies and high-technology products related to the defense, space, nuclear energy, etc. industries, meaning strategically important areas of activity in which only qualified professionals can fully appreciate what has been achieved. As far as the production and export of everyday products for ordinary people are concerned, for example cars, the Russian Federation is not among the world leaders in that, preferring to spend time and resources on more far-reaching objectives. However, Russia does have some success in the automotive industry.

It is common knowledge that the largest car manufacturer in Russia and Eastern Europe is the Russian company AvtoVAZ, which at one time produced NIVA automobiles, popular all over the world, and nowadays produces different models of LADA cars. In 2013, 2014, 2015, and 2019 one model for this brand, the LADA Granta, was the best-selling car in Russia. In 2020, despite the global economic crisis associated with the coronavirus pandemic, LADA cars broke all sales records set in Russia since 2013.

However, besides Russia, AvtoVAZ products also enjoy popularity abroad: in the CIS countries, Africa, and Latin America. Back in the day, AvtoVAZ cars were also fairly popular in Western countries. For example, in Soviet times, the NIVA SUV was exported to the UK, Canada, and Australia, and in the 1990s the licensed production of LADA cars was practiced in Belgium and Finland. However, the ideology of the struggle for the environment that swept the
West (which nowadays has already acquired the features of a totalitarian cult, and has very often become quite politicized) led to the production of Russian cars in the European Union being discontinued, despite the wishes of its driving citizens. Exports of LADA automobiles to Europe ended in 2019.

Nevertheless, even without the European Union, there were still buyers for AvtoVAZ: in 2019, Russian cars were sold in 34 countries throughout the world.

Nowadays, assembly work on LADA cars under license is done in Egypt and Ukraine, and before the start of 2021 it was also done in Kazakhstan.

As far as the Arab Republic of Egypt goes, AvtoVAZ has been actively and productively cooperating with this North African country for decades.

Russian automobiles gained popularity in Egypt back in Soviet times. By virtual of their reliability, easy serviceability, and reasonable price, they are still popular to this day. The cars are used on a massive scale in the country by taxi drivers, entrepreneurs, and government agencies, including the police.

In 1999, Alamal became the exclusive distributor of LADA cars in Egypt. It was given the exclusive rights to import, assemble, distribute, and sell the Russian car, and the spare parts for it, in Egypt. The company also received the exclusive right to do repair and maintenance work on AvtoVAZ products in the country.

High demand led to the fact that in 2002 in Cairo, the LADA-Egypt enterprise began work on assembling LADA cars at the Alamal plant from standard sets of Russian-made parts using a certain amount of Egyptian components. At that time, the management of LADA-Egypt planned to sell 5,000 cars a year, and these expectations were more than fulfilled.

In that same year, in the 10th of Ramadan City (El-Ashir-min-Ramadan), near the Egyptian capital Cairo, the construction of a large plant began that would assemble LADA cars. AvtoVAZ and LADA-Egypt launched this enterprise in 2006. Since that time, two models have been produced in Egypt: LADA 2107 and LADA 2110, both of which were produced inside the country until they stopped producing them in Russia. They began to produce the LADA Granta over the past decade in Egypt instead of those, a modern LADA model that - as mentioned above - regularly sets sales records in the Russian Federation.

In 2018, AvtoVAZ upgraded the LADA Granta. The upgraded model is known as the New LADA Granta, or the LADA Granta FL. They soon started to assemble that in Egypt. The company Alamal, which runs the production facilities doing the assembly work, is now the country’s largest manufacturer and supplier of automobiles, and to a large extent this has been facilitated by the success with Russian cars.

In November 2019, sales started for the New Lada Granta model on the Egyptian market. Exact data on car sales in Egypt for 2020 is not yet available, but it is known that over 2020, the Russian Federation delivered more than $112 million of land transport vehicles to this country. LADA assembly parts are most likely included in this scope.

In the Republic of Kazakhstan, AvtoVAZ is doing even better than in Egypt. Kazakhstan is a large country rich in resource, with an economy developing at a swift pace. It requires a large number of high-quality, easily maintained, and relatively inexpensive cars, and it perceives the products made by the Russian car industry as the best option for it, as do Egypt and many other countries.

Assembly work on LADA cars in the Republic of Kazakhstan began in 2002, at the large Asia-Auto Automobile Plant. Kazakhstan is now the principal sales market for LADA cars, and by the middle of 2018 there were more than 177,000 LADAs sold in the country.

Due to stable growth in demand, in the summer of 2018 LADA Detail stores began operating in the Republic of Kazakhstan, selling OEM spare parts and consumables for LADA.

In 2018 and 2019, LADA was the best-selling car on the market in Kazakhstan. The same thing happened in 2020, despite the worldwide economic downturn associated with COVID-19.

In February 2021, assembly work on LADA cars in Kazakhstan was stopped. However, as far as anyone can tell, the reason for this was not any problems with AvtoVAZ, but the conflict between the government in the Republic of Kazakhstan and the Asia-Auto Automobile Plant, where the assembly work was being performed; the country’s leadership is now demanding that the plant pay out more than $400 million. Despite the losses that AvtoVAZ will
incur due to this, it does not intend to leave the Kazakhstani market. Moreover, the Russian company plans to expand its activities in Kazakhstan, and to do that the assembly work for LADA cars could be transferred to another Kazakhstani enterprise.

Kazakhstan and Egypt are examples of countries where AvtoVAZ has achieved its greatest success stories, and localized production. However, as mentioned above, the geographical coverage where its products are delivered is much wider. In 2020, AvtoVAZ continued to bolster its position on the worldwide market. In Asia, new distribution channels were opened up in Armenia, Tajikistan, and Turkmenistan. Despite the difficult economic situation around the world, the Russian automotive industry is maintaining its positions, and is ready to further develop.

*Dmitry Bokarev, a political observer, exclusively for the online magazine “New Eastern Outlook”.*