

## Belarussian Power Cut Back Over \$54M Bill

COMBINED REPORTS

Russia's Inter RAO followed through on its promise and reduced by 50 percent its electricity supplies to Belarus because of the troubled country's failure to make back payments.

Belarussian Energy Ministry spokeswoman Lyudmila Zenkovich said Russia cut its electricity shipments on Thursday because Belarus owes the equivalent of \$54 million.

Imports of Russian electricity account for less than 10 percent of Belarus' needs, and Zenkovich said consumers wouldn't be hurt by the move. She said Belarus would try to quickly settle its debt despite a shortage of hard currency.

Belarussian President Alexander Lukashenko said his government acted "like kids" in dealing with the nation's fiscal crisis and ordered a reduction in gasoline prices after a protest in the capital, Minsk.

The former Soviet republic's leader ruled out liberalizing the state-managed economy. Management of the retail and currency markets won't be allowed to "slip from state control," he said and said the ruble shouldn't be allowed to weaken beyond 5,000 per dollar, according to comments posted on the presidential web site late Wednesday. The Belarussian ruble traded at 5,038 per dollar Thursday, according to prices posted on the web site

# Mitsubishi Sees an Electrifying Future

By Roland Oliphant  
THE MOSCOW TIMES

A week of billion dollar deals has injected new energy into the auto market's recovery and put the government well on the way toward its goal of producing 80 percent of cars sold in Russia domestically.

On Wednesday, Ford and local car producer Sollers signed an agreement to form a joint venture that could turn out 350,000 vehicles a year by 2015.

The two companies also signed a letter of intent for a 39 billion ruble (\$1.4 billion) loan in financing from Vneshekonombank. Total investment is estimated to reach 74.5 billion rubles, according to the government, Bloomberg reported.

The deal followed the announcement last week that Italian carmaker Fiat — which Sollers had earlier jilted in favor of the Ford deal — will invest \$1.1 billion to build 120,000 cars a year in Russia.

Meanwhile, Nissan and its partner Renault were reported to be planning to invest as much as \$2 billion in Russia by 2015.

With local partner AvtoVAZ, the Russian market leader in which Renault has a 25 percent stake, the companies hope to increase their output to 1.6 million vehicles by 2015.

These are just three of 10 deals the Economic Development Ministry says it signed with foreign companies in the past week.

The investments were prompted by a recent adjustment to an incentive system under which the government offers waivers on import tariffs on parts in exchange for commitments to build a certain number of cars in Russia.

In a bid to reverse the damage done by the economic crisis, the government



COURTESY OF MITSUBISHI MOTORS

**The iMiEV is the first electric vehicle to be fully certified for sale in Russia, but it will cost an impressive \$64,768.**

and light vehicles were sold in Russia in 2010, and it projects sales of 2.5 million this year.

The market grew 60 percent year on year in the first five months of 2011, with sales of new vehicles up 48 percent year on year in May, AEB said Wednesday.

Imports of new cars were up 95 percent year on year to 365,200 in January to May, the economy ministry said Wednesday.

AEB has said the market could reach pre-crisis levels of 2.8 million to 2.9 million units by 2012.

But while the incentives may have served as a catalyst, analysts said the foreign car giants would not be sinking such

Unlike the much touted Yo-Mobile and other hybrids, the small five-door hatchback runs entirely on a battery that can be recharged at ordinary domestic power points or specialized charge points.

The Moscow energy company MOESK and a privately owned firm called Revolva are to set up an experimental network of 28 charge points around Moscow and the Moscow region in an 11-month pilot project.

The iMiEV has seen moderate success in Japan, the United States and some European countries, but its uptake has been heavily dependent on government assistance in the form of VAT and excise waiv-

in exactly the same situation with electric vehicles," Pankov said. "This is the car of the future."

The first batch of iMiEVs destined for Russia will roll off production lines in Japan in July.

Mitsubishi is not among the firms pledging to meet the 350,000-unit threshold, although it does plan to up production at its Kaluga plant from 9,000 this year to 20,000 in 2011, Mitsubishi Russia general director Shin Fujioka told The Moscow Times on Thursday.

General Motors is considering putting Opel up for sale again as management is losing confidence that the European arm will return to profitability, two