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Dacia will suspend production for a month

Given the dramatic decline of the local market and in order to cut down stocks, Dacia suspends production from 11 December 2008 to 11 January 2009; following that, it will drop its daily output starting 12 January 2009. In spite of its success on the external markets, the increase in market share does not compensate for the decline of European car markets.

The Romanian car market has reached a slump

The demand in new vehicles on the Romanian market slumped by 50% in November 2008. With 4,698 cars sold, Dacia saw its registrations drop by 52% against November 2007.

The dramatic drop is linked to the invasion of second hand vehicles and to limited credit access (70% of all new cars are bought via credit or leasing).

Romania has known a massive arrival of second hand vehicles since 1st July 2008. In November only, the Romanian Car Registration Office has received 50,912 control requests, totalling 217,510 requests since 1st July and as many as 331,558 requests in 11 months. Most of the second-hand vehicles imported since 1st July are more than 10 years old.

According to data supplied by RCI Banque Roumanie, the number of Dacia leasing purchases fell by 59% in November against November 2007, following the 22% drop in October 2008 against October 2007.

The finance amount dropped by 62% in November 2008 against November 2007.

Dacia's succes on the external markets does not compensate for the slump of European markets

Dacia exported 15,328 units in November 2008 and 157,859 units during the first eleven months of the year.

In France, Dacia sold 3,845 units in November, amounting to 100,403 units sold since its launch in 2005. The number of registrations progressed by 13.9% in November 2008 as opposed to November 2007, and by 38.6% during the first eleven months against the similar period of last year. Dacia ranks among the first ten brands on the French market, with a 2.6% market-share in November 2008.

In Germany, Dacia third market, sales reached the level of 50,000 units since its launch in 2005.

In spite of its success on the external markets, the rise in market shares cannot make up for the slump of the European car markets.

The car markets are pursuing their descending trend. Consequently, the new car markets declined, in November 2008 against November 2007, by 49.6% in Spain, by 45% in Great Britain, by 36.4% in Sweden, by 29.5% in Italy, by 17.6% in Germany, by 16.4% in Belgium, and by 14.1% in France.

Dacia brings its production to a halt for a month and drops its daily output from 1,360 to 1,085 cars per day as of 12 January

Against the economic crisis, Dacia has to stop production during the period 11 December 2008 - 11 January 2009. Work will be resumed starting 12 January 2008.

According to the 2008 Dacia Collective Employment Contract, the employees who will stay at home

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during the shutdown will receive 85% of their gross potential salary as well as the restaurant tickets for december (delivered in advance). The 450 lei new year bonus will be distributed to all employees.

The 620 temporary posts terminating in December 2008 will not be prolonged. Dacia will reduce its production output from 1,360 to 1,085 vehicles a day starting 12 January 2009.

In terms of investment, Dacia cuts down its 2009 budget, from 250 million euros to 150 million euros. Investments on work security and work conditions will not be adjusted.

Dacia will keep its major investments in developing its product lineup.

Dacia top export sales

	Country	Sales 2008 (11 months)
1	France	39,174
2	Germany	23,712
3	Ukraine	12,666
4	Algeria	11,563
5	Turkey	8,265
6	Italy	7,798
7	Spain	6,161
8	The Netherlands	4,424
9	Bulgaria	3,581
10	Belgium	3,300
	Morocco (local output)	13,835

Total export sales Dacia since 2005

	Country	Overall
1	France	100,403
2	Germany	49,365
3	Turkey	33,366
4	Algeria	32,045
5	Ukraine	28,693
6	Spain	22,042
7	Serbia	15,134
8	Italy	13,777
9	The Czech Republic	8,810
10	Bulgaria	8,360
	Morocco (local output)	41,709