

Rostec and Bombardier Discuss Joint Venture

By [The Moscow Times](#)

February 17, 2013

The  **Moscow Times**

Rostec is in talks with Bombardier over a possible multimillion-dollar joint venture to build the Canadian plane-maker's Q400 aircraft in Russia, the head of the state-owned technology company said.

The industrial and defense conglomerate formerly known as Russian Technologies hopes to break into the medium-range aircraft market in Russia, which international manufacturers such as Boeing, Airbus and Bombardier view as an important growth market.

Boeing has predicted that over the next 20 years Russia and its neighbors will take delivery of 1,140 new aircraft valued at \$130 billion.

"We proposed creating a joint venture with Bombardier to produce aircraft," Sergei Chemezov said in an interview. "We estimate investment in the project would be about \$100 million. As of today, no legally binding documents have been signed, so I can't say anything

further, but most likely it will be a 50-50 joint venture."

Chemezov, who has headed the conglomerate since it was called Rosoboronexport, said that Rostec would initially produce part of the turboprop plane's airframe but could ultimately help make the engines.

Rostec's VSMPO-AVISMA already operates a titanium joint venture with Boeing in Russia. The business supplies more than a quarter of the world's titanium and has long-term contracts with aircraft manufacturers.

Bombardier declined to comment on the nature of its "discussions with entities located around the world" but said it did not plan to transfer production of the Q400 from Toronto.

The Q400, which seats 70 to 80 passengers and is designed to operate in extremely low temperatures, could replace the obsolete AN-24 and is a direct competitor of the ATR 72, which operates all over the former Soviet Union.

The area of the former Soviet Union requires about 300 to 400 regional aircraft to replace the manual AN-24, said Boris Rybak, of the consultancy Infomost.

ATR is jointly owned by Airbus parent EADS and Italy's Finmeccanica.

Russian media sources reported in November that Bombardier was interested in assembling the Q400 at Samara's Aviacor, a division of billionaire Oleg Deripaska's Russian Machines.

Deripaska's company declined to comment at the time.

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