

Rostec Signs Deal for Small Aircraft Localization

By [The Moscow Times](#)

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The Da40 airplane, pictured here, will be the foundation for rebuilding the light utility plane industry in Russia.

Rostec said Tuesday that it signed a framework agreement during the Le Bourget Paris Air Show with Austrian Diamond Aircraft Industries to manufacture light aircraft in Russia.

The Austrian producer signed a two-year contract with Rostec, worth 2.5 billion rubles (\$77.9 million), to buy 114 Da40 Tundra planes, localizing their production and larger aircraft in the future.

Rostec head Sergei Chemezov said the planes would be used in the country's "small aviation" segment, which decayed after the Soviet collapse.

"Regional aviation in Russia is in crises, because there is an absence of quality and affordable planes," Chemezov said in a statement.

He referred to the widely used Ukrainian-made An-2 and Czech-made L-410 planes as "air taxis" during Soviet times, calling them "obsolete."

The 19-passenger planes, which are designed to cover routes ranging between 400 and 1000 kilometers, will eventually be manufactured at the Rostec-owned Urals Civil Aviation plant in the Sverdlovsk region, with the first aircraft being completed in 2016.

Chemezov also said \$150 million to \$200 million would be invested in one model of the aircraft. "New planes will be more economically efficient than the existing models," he said, Kommersant reported.

Founded in 1981, Austrian Diamond Aircraft has an annual turnover of \$300 million.

Earlier, the Novosibirsk-based Chaplygin Siberian Scientific Institute announced that it was planning to upgrade existing An-2 planes in a joint venture with the U.S.-based Honeywell, which will supply engines.

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