

Rostec Says Bombardier Ends Localization Talks

By The Moscow Times

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Canada's Bombardier Aerospace has pulled out of negotiations with state corporation Rostec on localizing production of the Q400 regional airliner in the Ulyanovsk region, a source close to Rostec told Interfax.

"The Canadians have notified us that they are withdrawing from negotiations," he said, adding that Bombardier had proposed to initially sign an agreement on the purchase of 150 Q400 planes assembled at the Russian plant, which Rostec did not agree to.

Rostec, a state-owned holding company created in 2007 to support high-tech industry in the country, will hold negotiations with the European Aeronautic Defense and Space Company, or EADS. "Preliminarily, the companies will discuss the possibility of assembling ATR planes," another source said.

The possibility of assembling the ATR-72 regional airliner in the Ulyanovsk Region is under

consideration, he said. ATR is produced by a joint venture between EADS and Italy's Alenia Aermacchi.

Another source said Rostec is now holding negotiations with both EADS and Brazilian aircraft maker Embraer.

Bombardier officials could not be reached for comment.

"Officially, Bombardier has not notified us about withdrawing from the negotiation process. At this stage negotiations are continuing. We cannot report any new details at this time," Rostec's press service said.

Rostec head Sergei Chemezov said at the Paris Air Show that the corporation had not made a final choice as to which regional airliners will be produced — Bombardier's or the ATR.

Interfax reported in May that Rostec and Bombardier Aerospace might sign an agreement on the assembly of the Q400 in Ulyanovsk Region at the upcoming MAKS-2013 International Aviation & Space Salon, to be held in August.

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