

Rostec and Bombardier Near Agreement on Regional Aircraft Assembly

By The Moscow Times

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A Bombardier Q400 plane. Maxim Stulov / Vedomosti

Vast state technology corporation Rostec and Canadian aircraft producer Bombardier are nearing an agreement to assemble Bombardier's regional aircraft in Russia.

Sources on both sides have confirmed negotiations, which will set up Bombardier Q400 production in Ulyanovsk. Billionaire Oleg Deripaska's Samara-based Aviakor plant may also begin assembling the Canadian planes, Vedomosti reported.

Rostec head Sergei Chemezov initially mentioned a possible joint venture with Bombardier in February. He said Rostec was prepared to invest about \$100 million in the project and set up production facilities in Ulyanovsk's free economic zone, but negotiations stalled in the summer amid concerns about demand for the aircraft.

The signing is expected "in the near future," said a Rostec spokesman, Reuters reported.

The companies may sign the agreement at the MAKS-2013 International Aviation & Space Salon in late August, though a source familiar with the matter said this was not guaranteed.

It is unclear when production in Russia would be launched. Company sources said the planes would most likely only be assembled at the Russian plants, though some parts of the wings could be locally produced.

Rostec has also been linked to European Aeronautic Defense and Space Company in connection with production of the ATR regional aircraft.

The Industry and Trade Ministry estimates that Russia's airlines will need up to 200 new regional airplanes like the Q400 by 2020.

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